



Daily Report

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General

'Sweeping Change' in U.S. Attitude Toward UN
OW0810012888 Beijing XINHUA in English
1919 GMT 7 Oct 88

[By Qian Wenrong]

[Text] United Nations, October 7 (XINHUA)—With the United Nations enjoying ever higher international esteem, the United States also has begun to adjust its policy towards this world body. President Ronald Reagan's address at the General Assembly this year reflects a "sweeping change" of the U.S. Administration's attitude.

In sharp contrast with his last year's speech in which there was no single word of praising the United Nations except calling for its continued reform as required by the U.S. Congress, President Reagan told the General Assembly this year that "the United Nations is a better place than it was eight years ago.... We see not only progress, but also the potential for an increasingly vital role for multilateral efforts and institutions like this United Nations."

Immediately after it came into office eight years ago, the Reagan administration started out very much down on the United Nations because it believed that since 1970s the United States had less and less influence on the once American-dominated international organization.

Later on, the Reagan administration took a series of what the international community called "damaging" actions against the United Nations, such as the withdrawal from the United Nations Educational, Scientific and Cultural Organization (UNESCO) four years ago, the withholding of its assessed contribution to the United Nations Fund for Population Activities (UNFPA), the boycott of last year's U.N.-sponsored international conference on the relationship between disarmament and development, the refusal to ratify the Law of the Sea adopted by the U.N. General Assembly, and its uncompromising attitude that had led to the failure to produce a final document at this year's U.N. special session on disarmament.

The most "damaging" action is that the United States has so far held a total of over half a billion dollars of its due contribution to the U.N. budget, bringing the world body to a desperate financial crisis.

Even when U.N. Secretary-General Javier Perez de Cuellar went to Washington this July asking for the release of the U.S. dues to the United Nations, Reagan still rejected his appeal, insisting that the further reform of the United Nations was necessary "to meet the concerns of the U.S. Congress."

However, all these pressures have not helped to strengthen the U.S. position at the United Nations but incurred ever stronger criticism from the majority of U.N. member states and thus imperiled the U.S. image in the world community as a whole. The U.S. influence continues diminishing.

According to a report by the Heritage Foundation, in 1987 only 18.6 percent of nations supported U.S. positions in key U.N. votes—a record low and down from 25.5 percent in 1983.

Now, when Reagan rediscovers the "value" of the United Nations to the United States, he turns to change his heart toward the world body.

Just several days before the opening of the current session of the U.N. General Assembly, Reagan agreed to begin paying off the U.S. overdues to the world body.

Then, in his farewell speech at the U.N. General Assembly on September 26, he acknowledged the "valuable role" and the recent achievements of the world body in its efforts to help solve regional conflicts as well as the progress in its reform. "How valuable the United Nations can be," Reagan said.

Some analysts have said Reagan's "sweeping change" is intended to ensure his warm reception from the 159 U.N. member states before terminating his presidential tenure. He wants the people to remember his support for the U.N. rather than damage to it.

Others say that Reagan's move might purposefully help his vice-president, the Republican candidate George Bush in the current presidential campaign.

But, most people believe that the Reagan administration's shift in its U.N. policy is mainly out of the strategic consideration in view of the improvement of the American-Soviet relations and particularly the dramatic change of the Soviet policy toward the United Nations.

Just one year ago, the Soviet Union announced to pay all its overdue 225-million-dollar U.N. bill, including 197 million dollars for peacekeeping operations it long opposed.

At the same time, Soviet leader Mikhail Gorbachev publicly advocated strengthening U.N. peace-making and peace-keeping roles, specially in resolving regional conflicts.

He proposed to set up a U.N. hotline to the capitals of the five permanent Security Council members for speedy consultations and revive the military staff committee in the Security Council.

Of late, the Soviet Government has also suggested the establishment of a U.N. Army. Moscow even has offered to make its own forces available for peacekeeping duties.

Gorbachev's new U.N. policy has caused strong repercussions among the American public and policymakers and posed a big challenge to the U.S. Government.

Some major American newspapers have warned that "Gorbachev has seized the ground once virtuously held by the United States." "This should energize the United States to reclaim the leadership role" at the world body, they added.

U.S. officials said frankly that Moscow's new attitude toward the U.N. also pushed them along. "They (Soviets) are using the U.N. more constructively and are generally more serious about what they say and do there. This means we, too, have to be more serious," a key U.S. policymaker said.

However, some U.N. officials indicate that the new love affair with the U.N. doesn't mean the United States will let it do everything smoothly. For instance, in the field of disarmament, the United States still does not want the United Nations to play a bigger role in nuclear disarmament, stressing the nuclear reduction "must be strictly bilateral in negotiation, verification and implementation." (George Shultz)

In spite of this, Reagan's praise of the United Nations has been widely considered as "laying the political groundwork for the next president to make even greater use of that body in the resolution of international conflicts."

Observers here believe that whether the Republican or Democratic candidate wins, the next administration will have to take more active and cooperative attitude toward the United Nations.

Article on Relaxation of COCOM Controls for China
HK1110042288 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 40, 3 Oct 88 pp 27-28

[Article by Huang Zhiping (7806 1807 1627): "Retrospect and Prospect of Cocom Relaxing Restrictions on Export to China"]

[Text] The Coordinating Committee for Multilateral Export Controls (called COCOM for short) recently decided to relax restrictions on the export of 10 items to China. It is reported that they include, among other things, hi-tech products, such as electronic computers for use in offices; semiconductor laser amplifiers, and optical fibre communications equipment. Other issues concerning relaxing restrictions on trade with China will be discussed and examined at its October meeting.

The Mysterious COCOM [subhead]

COCOM was a product of the early 1950's, when relations between East and West were strained. It was

established in 1950 on a U.S. suggestion. Its main aim is to prohibit, control, and supervise the export of Western strategic materials and technology to socialist countries. At present it has 16 member states: the United States, Britain, France, the FRG, Italy, the Netherlands, Canada, Denmark, Norway, Belgium, Japan, Portugal, Luxembourg, Greece, Turkey, and Spain, and enjoys a legal status in most of its member states. Basing its headquarters in Paris, this organization is often shrouded in a mysterious atmosphere, and is not available in the local telephone directory. It is known that it is located at No 5, Bodhi Road in Paris, but there is no nameplate at the gate, and the staff members are not allowed to contact its representatives over the telephone. Its crowded and poorly equipped office is out of bounds to outsiders. COCOM's control is realized through formulating lists of contraband, and committee debates are always kept secret. The final lists of goods which are forbidden to be exported to the East fall into three categories: list of international military supplies and weapons; list of international atomic energy, and list of international industry and commerce. The list of industry and commerce includes those dual-purpose products for both military and civilian use not included in the other two lists, and commodities and technology in this list are divided into three grades: the first grade includes items under an embargo, which are not allowed to be exported without special permits; the second grade includes items whose export quantity is subject to restrictions; and the third grade includes items that are allowed to be exported, but the vendor must regularly supervise and check their use by the buyer. COCOM makes an overall check on the lists against the ever changing final use of the goods exported and the technological growth every 3 to 4 years; it holds a biweekly meeting to discuss the applications of members for export licenses. According to the regulations, it takes COCOM 60 days to make a decision on an application; but the committee makes a point that any application is subject to unanimous approval, that is, the item under discussion is not allowed to be exported until unanimity of all member states is reached. As a result, it takes a very long time or even as long as over 2 years for COCOM to examine and approve an application.

U.S. Status as Leader of COCOM, and Control Over Export to China [subhead]

The United States status as leader of COCOM has been established since it suggested that the organization be founded. Despite many vicissitudes in the world's political situation during the past several decades, the United States status as leader of the organization has been strengthened rather than weakened, because of its technological and economic power. Every change in COCOM's policy, that is, whether it pursues a rigid or an enlightened policy, has everything to do with the U.S. attitude. A Western expert in international issues vividly put it this way: COCOM is a piano on which Americans play at will, and they play the tunes they are interested in.

COCOM's control over export is in essence the extension of U.S. control of export. The two are not only identical by nature, but also have the same objectives and are closely interrelated. Even the items (lists of commodities) they put under an embargo are identical on the whole. Therefore, talking about COCOM's controls without mentioning U.S. controls over export amounts to studying Western politics irrespective of the United States. Both are inconceivable.

U.S. export control began in 1940, mainly to meet the requirements of World War II. After the war, this control was strengthened rather than removed because of the "cold war." In order to strictly and effectively control export, and deal with each case on its merits so as to effect disintegration among other nations, the United States divided countries of different types into several groups, and passed the division into legislation. When the People's Republic of China was founded, the U.S. Government included China in Group Y along with the Soviet Union and most countries in Eastern Europe for export control. After the Korean War, China was included in Group Z, which was subject to more strict control than Group Y. This strict embargo lasted over 20 years, and the United States did not allow the export of limited nonstrategic materials to China by modifying its regulations for export control until June 1971, when China and the United States improved their relations. When the Sino-U.S. Joint Communiqué was issued in 1972, China was transferred back to Group Y, on a par with the Soviet Union.

Since China instituted the policy of opening up to the outside world, Sino-U.S. relations have improved to a greater degree, and the U.S. Government at long last began to give serious thought to relaxing restrictions on exports to China.

In April 1980, the U.S. President specifically announced that China be taken out from Group Y and included in an exclusive Group P. This was the first time China was given better treatment than the Soviet Union with regard to export control.

In June 1981, President Reagan made public a so-called "dual policy" relating to export of technology to China. Under this policy, the technology and technological products exported to China would be twice that exported to the Soviet Union.

In June 1983, the U.S. Government announced the deletion of the exclusive Group P, and included China in Group V among NATO countries and nonaligned countries such as India, Egypt, and Yugoslavia, treating China as a "nonallied friendly country."

With the U.S. Government gradually relaxing restrictions on export and China pursuing the policy of opening up wider to the outside world, according to incomplete statistics, China's foreign trade-related companies and enterprises spending foreign exchange from the state

purse had signed with U.S. enterprises a total of 137 contracts for imported equipment and technology amounting to \$700 million by 1985, as compared with only five contracts valued at less than \$20 million in 1979, when the two countries established diplomatic relations. Again, according to statistics of the U.S. Department of Commerce, the department granted 8637 licenses for exports to China in 1985, involving \$5.5 billion, 10 times that for 1982, when the United States approved the export of advanced technology to China. It is clear that Sino-U.S. trade in technology has been growing rapidly. As former U.S. Secretary of Commerce Baldrige pointed out: "Transfer of technology by way of trade remains one of the firmest clues to Sino-U.S. bilateral relations, and is the key to fully developing dynamic relations."

COCOM Relaxes Restrictions on Export to China [sub-head]

In 1983, there emerged a gap in the fence of Washington's control over export to China, and China was transferred to Group V from Group P. But it was soon surprisingly discovered that China's status was obviously different from other countries in the same group in that China was the only country in the group under COCOM control. As a result, many applications for licenses for exports to China kept unattended at the U.S. Department of Commerce were transferred to COCOM. The last fence against export to China remained closed. It is disclosed that of all the applications piled up at COCOM in 1984, 85 percent related to exports to China, and those meant for other countries under embargo accounted for only 15 percent. At that time, Chinese Premier Zhao Ziyang warned U.S. leaders that China never desired to become a Group P member in Group V. U.S. and Western businessmen were also unhappy that their applications were not assessed and approved in time. Under pressure from within and without, the United States and other member states of COCOM held six meetings in 1985, concentrating on relaxing controls over export to China. The meeting participants maintained that China should be dealt with differently from the Soviet Union and East European bloc, and a special committee on China's issues was set up. In April of the same year, a resolution was adopted in favor of simplifying the procedures for export to China.

The main points of the resolution were: Effective 1 December, 1985, exporting countries are left free to make their own decisions on export to China of 27 items including electronic computers, communications equipment, microwave systems, laser amplifiers, robots, and digitally controlled machine tools, on condition that they are at a given level. This resolution greatly quickens the tempo at which COCOM member states grant licenses for the export of technology to China, halving the time needed by COCOM headquarters.

In 1987, COCOM announced that the qualifications for 32 technological items that are allowed to be exported to China be upgraded. In July this year, at a COCOM

meeting to discuss restrictions on export to China, 20 of the 180 embargoed items controlled by COCOM were under review, and a resolution was made that restrictions on 10 items be relaxed, though COCOM declared that it will have a further discussion on most of the items in September and October this year before making public the resolution.

Gradually Relaxing Controls by COCOM Is the Trend of the Times [subhead]

In the 1950's, COCOM comprised almost all the developed countries in the world, and had in hand the most advanced technology. But since the 1980's, with the abrupt rise of new industrial countries, a diversification pattern has emerged on the world's technological market, and "countries in the East" can obtain materials and technology placed under an embargo by COCOM from countries other than COCOM member states, while COCOM's member states have schemed against each other. There have been a great many contradictions among them. It is a common occurrence that some COCOM's member states export embargoed goods and materials through COCOM out of their own economic interests. From the wrangling between the United States and West Europe over the export of natural gas being piped to the Soviet Union several years ago to the recent "Toshiba incident," it can be seen that the control exercised by COCOM will only serve to make the long, drawn-out, trade frictions between the United States and Japan, and between the United States and West Europe even more fierce.

Those outdated, stringent, and overelaborate procedures for controlling export by COCOM have not only met strong opposition from importing countries, but businessmen in the United States and West Europe also keenly feel pain, and complaints are heard everywhere. As indicated by a U.S. official findings report made public not long ago, the restrictions imposed on export in consideration of "national security" and "foreign policies" cost the United States about \$10 billion every year.

All this shows that it is the trend of the times for COCOM to gradually relax controls.

China does not attach itself to any bloc, yet a strong and prosperous China is vital to peace and stability in the world. Pursuing an independent foreign policy of working to preserve peace, China has established friendly bilateral relations with all COCOM's member states. Opening up to the outside world is China's basic policy, but it is essential that other countries do likewise. Cooperation calls for sincerity from both parties. China holds that the discriminating policy COCOM is following against China is inappropriate, and is a no out of place in terms of China's friendly relations with COCOM's member states. China strongly hopes COCOM will make greater and more rapid strides in its efforts to relax restrictions on export to China, and will completely and entirely withdraw all restrictions soon.

TA KUNG PAO on Diplomatic Front Activities
HK11100 588 Hong Kong TA KUNG PAO
in Chinese 11 Oct 88 p 2

[Political talk" column by Shih Chun-yu (2457 0689 3768): "China Greet a Springtime of Diplomatic Activity in All Directions"]

[Text] Affected by China's "all-directional diplomatic policy," all countries in the world are following with great interest the major events in China's diplomatic circles, namely, Chinese Foreign Minister Qian Qichen's visit to the Soviet Union by the end of this year, to be followed Soviet Foreign Minister Eduard Shevardnadze's visit to China. Because of the visits by the two foreign ministers, people are optimistic about the prospects for a Sino-Soviet summit. An article entitled "Normalization of Sino-Soviet Relations Is the Trend of the Times," which is carried in the latest issue of Beijing's LIAOWANG weekly, predicts that Qian Qichen's visit to the Soviet Union at the end of this year "probably indicates that a meeting between senior leaders of China and the Soviet Union, which has been deliberated for a long time, is not far off, and that the conditions for normalizing Sino-Soviet relations are nearly ripe." There are grounds for this prediction.

Naturally, before predictions come true, they cannot be absolutely confirmed. Judging from the current international situation, however, the normalization of Sino-Soviet relations is the trend of the times.

The world today is entering an era of relaxation, consultation, and reconciliation. China's all-directional diplomacy plays a tremendous role in promoting a relaxation in the world's situation. In mid-October, Premier Li Peng will make his first state visit to Thailand since he became premier. Later, he is scheduled to visit Australia and New Zealand. Thailand is an important member of ASEAN and Li Peng's visit to this country has much to do with efforts to reach a political solution to the Cambodian issue. Thailand has a decisive say on the Cambodian issue.

As Li Peng's visit to Thailand will take place before Qian Qichen's visit to the Soviet Union, China and ASEAN countries will hold talks to coordinate their positions on the Cambodian issue because this is mutually related to Sino-Soviet talks on the Cambodian issue at a later date.

At the end of this year, Indian Prime Minister Rajiv Gandhi will visit China. Early this month, Menon [mei nong 2734 6593], the Indian secretary of foreign affairs, led a delegation to Beijing to make arrangements for Rajiv Gandhi's visit. Sino-Indian relations have cooled down since the border clash in 1962. The previous visit to China by former Prime Minister Jawahar Lal Nehru was in the 1950's. Therefore, the current visit by Rajiv Gandhi is an extraordinary thing. Although he stressed that no concessions will be made on the border issue, his visit is aimed at strengthening economic and cultural

exchanges. This indeed reflects the background of the present age and is related to the prospects of normalization in Sino-Soviet relations.

Relations between China and Indonesia are gradually improving. Economic and cultural exchanges between the two countries are increasing and the normalization of relations is obviously a matter of time.

When the oriental cherry is in full bloom next April, Premier Li Peng will visit Japan to return Prime Minister Noburo Takeshita's visit to China in September. This will be the third visit by a Chinese premier to Japan in 10 years.

The visits abroad by China's important officials in the next few months reflect the popularity of China's all-directional diplomacy. The United States and West Europe support the thawing of Sino-Soviet relations because, taken as a whole, this helps relax the international situation.

The mutual visits by Chinese and Soviet foreign ministers mean that talks between Deng Xiaoping and Mikhail Gorbachev will be realized. Deng is 84 years old. If the talks should be held, this would mean that the three obstacles (only the Cambodian issue is left now) between China and the Soviet Union have been solved and that peace in Cambodia is in sight.

China adheres to the policy of reform and opening up to the outside world. This, plus China's consistent implementation of the five principles of peaceful coexistence in dealing with foreign countries, has enabled all countries to gain a deep understanding of China's all-directional diplomacy. Improvements in Sino-Soviet and Sino-Indian relations in the future will be more advantageous to China's open policy and stimulate China's economic, scientific, technological, and cultural development. A strong China will be more conducive to peace in Asia and the rest of the world.

World Urges Vietnam To Withdraw From Cambodia
OW1010140988 Beijing Domestic Service in Mandarin
0530 GMT 10 Oct 88

[From "International News and Current Events" program; commentary by station commentator Yang Bin: "How Much Longer Can Vietnam Hold On in Cambodia?"]

[Text] Settling international disputes through peaceful means has become a trend that keeps developing in the world today. With regional issues, such as the Afghanistan issue and the Iran-Iraq war, gradually being resolved, the international community has naturally shifted its attention to the Cambodian issue. This can be observed from the remarks of representatives of various countries during the general debate at the 43d UN General Assembly.

Taking the floor at the UN General Assembly on 5 October, Son Sann, premier of the Coalition Government of Democratic Cambodia, stressed: If Vietnam continues to encroach upon Cambodia, national reconciliation will be impossible in Cambodia. He added: To really resolve the 10-year-old Cambodian issue, Vietnam must withdraw all its troops from Cambodia according to schedule, in accordance with a negotiated agreement and under international supervision.

In his speech on 28 September, Chinese Foreign Minister Qian Qichen further elaborated on the Chinese Government's principled stand on the Cambodia issue. He appealed to the international community to act even more firmly in demanding Vietnam to withdraw its troops from Cambodia and put an end to its war of aggression so that the Cambodian people can settle their own affairs without outside interference.

In their speeches, the representatives of Malaysia and Singapore, as well as the United States, Great Britain, and Japan also reiterated their demand that Vietnam must withdraw all its troops from Cambodia so that a genuinely independent, neutral, and nonaligned Cambodia can be established.

In vivid contrast to this strong international appeal was the speech made by Tran Quang Ky, the Vietnamese representative. With regard to troop withdrawal, he continued to uphold the irrational precondition of what he called two links. He declared that troop withdrawal must be linked with stopping all outside interference in Cambodia's internal affairs, and with stopping the Khmer Rouge from regaining power.

Everyone knows that 10 years ago Vietnam sent a vast number of armed forces to invade Cambodia and then used bayonets to prop up the Phnom Penh puppet regime. This is outside interference in the real sense. Thus, the key to settlement of the Cambodian issue lies in Vietnam's immediate and unconditional withdrawal of all its troops from Cambodia.

Now the Vietnamese representative again harps on an old tune, namely, that of the two links. His act is no more than an attempt to hold on in Cambodia by fishing in troubled waters and by playing the trick of a thief shouting stop the thief.

Owing to Vietnam's war-mongering policy during the past decade, thousands upon thousands of Vietnamese young people have died in Cambodia and many Vietnamese people have fled the country as refugees. Because its economy has kept deteriorating and now verges on collapse, Vietnam has to sustain itself by relying on other countries' handouts. Now, confronted with the world's new trend of settling international disputes through peaceful and political means, how much longer can Vietnam hold on in Cambodia?

RENMIN RIBAO Views Efforts in Olympics
HK1210004788 Beijing RENMIN RIBAO
in Chinese 3 Oct 88 p 4

[Commentator's Article: "The Olympics Resemble A Mirror"]

[Text] The sacred fire of the 24th Olympic Games in Seoul has gone out. Nearly 10,000 athletes from 160 countries and regions gathered under the five-circle flag, and through 16 days of competition, broke 86 Olympic records, created 27 new world records, and equalled 5 world records. These figures indicated that people climbed to a higher rung on the ladder of the Olympic spirit of being "higher, quicker, and stronger," and marked new results in mankind's sports development.

The melody of peace, friendship, unity, and progress reverberated under the five-circle flag. With joy, people saw the outstanding results of the medal winners, saw the names of athletes from Kenya, Turkey, and Suriname among the medal winners, and also saw the endeavor of other athletes in the competitions and their remarkable performances. "Participation is more important than victory." This Olympic slogan was once again manifest in this Olympic Games.

In this most important and largest-scale sports event in the world in the past 12 years, the Chinese athletes won 5 gold medals, 11 silver medals, and 12 bronze medals. This basically reflected the present strength and level of sports in our country. Welcome home, our heroic athletes!

Such an important world sports event as the Olympic Games resembles a mirror, which can clearly reflect the strong and weak points of all athletes and teams in this global competition arena. In the events of diving, swimming, and canoeing, the performances of the Chinese athletes were most impressive, and they showed a more promising tendency in the track and field events and other sports events.

The mirror of the Olympic Games also reflected the gap between our country and the world's sports powers. We found that we had lost our superiority in some events, such as men's gymnastics, women's volleyball, and ping-pong, where we used to be strong. This, of course, represents a normal phenomenon in the field of sports, where some countries may become stronger or weaker in some events. However, this also exposed some problems in our techniques, psychology, training, and management system. For example, some weight lifters and shooters were out of form and failed to display their usual standard in the competitions. This showed that there remained some shortcomings in the psychological and cultural training of our athletes. Comparison is a good way to learn. It is extremely necessary to seriously sum up our experience, positive and negative, in the Olympic Games.

Reform and opening up is the general principle and policy for our work in all fields. Since the 3d Plenary Session of the 11th CPC Central Committee, sports in our country have made substantial progress under the new situation of reform and opening up. Sports reforms have also made tremendous results. However, we still need to quicken the internal reforms in our sports undertakings so as to adapt them to the frequent international competitions and the new situation of in-depth reform and opening up. Quicken the pace of reform is the only way to consolidate and strengthen our sports and increase the capacity of challenging the advanced in the world.

Sports should be oriented to the world and to the future. The sacred fire of the Seoul Olympic Games has gone out, but the 1990 Asian Games is a spur to us, and the 1992 Barcelona Olympic Games is waving its greetings toward us.

Our heroic Chinese athletes, pick up your courage in order to meet the new challenges!

USSR, Romania Issue Joint Communiqué on Visit
HK1210051788 Beijing RENMIN RIBAO
in Chinese 8 Oct 88 p 6

[Report: "Soviet, Romanian Leaders Issue Joint Communiqué"]

[Text] Moscow, 6 Oct (XINHUA)—The USSR-Romanian Joint Communiqué issued here today shows that the two countries hold identical or close views on international questions. The communiqué was issued before Ceausescu, the Romanian leader, ended his visit to the Soviet Union. It says: Soviet leader Gorbachev points out that the 19th CPSU National Congress has enriched the strategy and tactics of reform. Soviet reform is now at a turning point. Ceausescu presents the changes that have taken place in Romania since the 9th National Congress of the Romanian Communist Party and the achievements his country has made in economic construction since then.

Referring to the international situation, they emphasized that the fundamental problem at present is reducing armaments, greatly lowering the level of military confrontation, and destroying nuclear weapons and all kinds of large-scale and powerful weapons. Both sides reiterated their appeal for the simultaneous abolishment of NATO and the Warsaw Treaty Organization.

Beijing TV Shows Jiuquan Satellite Launch Site

[Editorial Report] Beijing Television Service in Mandarin, in its 1100 GMT cast on 8 October, carries a 1.5-minute video report on the Jiuquan Satellite Launching Center.

The video begins with an overhead shot of a launching pad, cutting to short color and black-and-white clips of launches for rockets of varying sizes and a black-and-white shot of a cloud rising after a nuclear explosion.

In voice over video, the announcer says: The Jiuquan Satellite Launching Center was built in 1958. On 5 November 1960 it successfully launched China's first self-manufactured missile. Afterward it successfully carried out a series of major test launches, including nuclear missiles, long-range carrier rockets, and recoverable satellites. Over the past 30 years the center has successfully launched 19 satellites of all types and tested nearly 1,000 carrier rockets, as well as strategic and tactical missiles. Its rate of successful launches has approached that of advanced countries.

He adds: Because of its accuracy and high rate of success, the center has opened the window for China's astronautics technology to compete with the rest of the world.

Video then shows medium shots of a young Chinese woman in uniform talking with three French scientists, all working with small computers and other equipment. Report concludes with medium shot of rocket launch, with announcer saying in voice over video that experts and customers from four countries attended an August launch of a payload for a FRG company.

United States & Canada

Jilin Economic Delegation Returns From Visit
SK1210064688 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 11 Oct 88

[Text] The Jilin provincial economic and technological delegation led by Vice Governor Hui Liangyu and with Zhou Zhichang, director of the provincial agricultural department, as deputy leader, returned to Changchun today after ending its visit to the United States.

During its stopover in the United States, the delegation visited and investigated the major corn-growing belt areas, visited farms, dairy farms, a seed company, a [words indistinct] breeding center, a food processing plant, an agricultural university, and other units. It also visited an agricultural technology exhibition, and investigated the agricultural product sales market and the Chicago Commodity Exchange Center.

The delegation was accorded a warm and friendly reception in the States of Wisconsin and Illinois. The delegation exchanged views with the governments of the two states and responsible persons of the departments concerned on the economic construction and agricultural development situation between the province and the two states, and held friendly talks on issues of common interest.

During its stopover in the United States, the delegation, after holding full and friendly talks with the World Technology Trading Company and the International Agricultural Technology Company of the United States, drafted a contract on establishing a Sino-American joint venture—the Jilin-American Agricultural Technology Company.

The delegation's visit to the United States was guided and supported by the Chinese Embassy in the United States and the Chinese General Consulates in Chicago and New York.

U.S. Firm Does Feasibility Study for Tianjin
OW1110111788 Beijing XINHUA in English
0214 GMT 11 Oct 88

[Text] Tianjin, October 11 (XINHUA)—A feasibility study on investment and land utilization for the Tianjin Economic and Technological Development Zone was recently completed by the United Planning Company of the U.S.

An official of the Tianjin Government said here today that the one-year study was funded by the U.S. Government Trade and Development Program, and its final report is optimistic about the investment environment in the zone.

Construction started on the zone at the beginning of 1985 and water, electricity and heat supply, communications, highways and other infrastructure facilities have been completed.

About 110 Sino-foreign joint ventures or foreign solely-funded enterprises have been approved to be set up in the zone involving a total contracted investment of 170 million U.S. dollars and 75 of these enterprises have already gone into production.

The United Planning Company, meanwhile, has lined up 29 enterprises in the U.S. which are interested in investing in the zone.

Canadian-Equipped Fertilizer Plant in Operation
OW0810020788 Beijing XINHUA in English
1517 GMT 7 Oct 88

[Text] Guangzhou, October 7 (XINHUA)—A blend fertilizer plant with equipment presented by the Canadian Government went into operation here today.

The plant's equipment was presented to the Chinese Government by the Canadian prime minister, Brian Mulroney, when he visited China in 1986. Canada subsequently sent technicians to help install the equipment in the plant.

Located in the Guangzhou economic and technological development zone, the plant is the first in China to produce bulk-blend fertilizer. It can also produce special compound fertilizers to meet the differing needs of individual soil and crop conditions.

The plant is designed to turn out 180,000 tons of fertilizer a year. Some 25,000 tons of "Rainbow brand" bulk-blend fertilizer will be produced this year on a trial basis.

The first six types of special fertilizer to be produced will be used for rice, vegetables, sugar cane, bananas, oranges and tangerines, as well as lichee nuts, according to plant officials.

Present at today's opening ceremony were Canadian Ambassador E.G. Drake, Pan Yao, China's vice-minister of commerce and Zhang Gaoli, vice-governor of Guangdong Province.

The Canadian ambassador and the Chinese vice-minister of commerce spoke at the ceremony. They expressed the hope that the two countries will further enhance bilateral trade.

Mr. Drake and other Canadian guests visited the plant and experimental fields using the bulk-blend fertilizer, and were honored at a banquet given by Vice-Minister Pan and Vice-Governor Zhang.

Soviet Union

PRC Envoy on Sino-Soviet Summit, Japan Ties
OW1110081388 Tokyo KYODO in English 0741 GMT 11 Oct 88

[Text] Tokyo, Oct. 11 KYODO—Chinese Ambassador to Japan Yang Zhenya said Tuesday [11 October] a Sino-Soviet summit could be realized given the right conditions.

Yang, giving a 40-minute lecture to a group of 200 business executives at a Tokyo hotel, did not specify what the conditions for a summit were.

China reportedly regards a Vietnamese troop withdrawal from Kampuchea as a precondition for such a summit between senior leader Deng Xiaoping and Kremlin leader Mikhail Gorbachev.

Yang also said a rapprochement between the two Communist giants will be reached sooner or later based on China's often stated five principles for peaceful coexistence, including mutual respect for each other's sovereignty and territory and mutual noninterference in internal affairs.

The normalization of relations between Beijing and Moscow would contribute to global peace and stability and not damage the interests of the Western bloc nations, Yang said.

Sino-Soviet relations collapsed in the early 1960s, causing skirmishes between Soviet and Chinese forces across the Amur and Ussuri Rivers along China's eastern border.

China has listed three major obstacles as blocking the normalization of bilateral relations—Soviet troop concentrations along the border with China, the Soviet military presence in Afghanistan and the Soviet backing of Vietnam's rule over Kampuchea.

Yang said Beijing has urged Moscow to exercise its influence over Vietnam to prompt early withdrawal of Vietnamese troops from Kampuchea and the Kremlin has made some positive responses.

The Soviet Union announced late last month that Chinese Foreign Minister Qian Qichen will visit Moscow later this year and meet senior Soviet leaders, including newly elected President Gorbachev.

Turning to bilateral relations between Japan and China, Yang stressed the importance of closer economic cooperation, saying he hopes that the two-way trade, which is now in Japan's favor, will be enlarged in the future.

Yang reiterated that China hopes to see more direct investments from the Japanese business community under a bilateral pact on the protection of investment which was signed when Prime Minister Noboru Takeshita visited China in late August.

Concerning a slowdown in implementing market-oriented reforms recently adopted by the Communist Party, Yang said the measure was taken to control current rising inflation and sustain the annual economic growth rate of 7-8 percent.

The policy, aimed at improving the country's economic environment and rectifying the economic order, does not mean a setback of the reforms, Yang added.

Chinese, Soviet Banks Agree To Cooperate
OW1110125688 Beijing XINHUA in English 1220 GMT 11 Oct 88

[Text] Beijing, October 11 (XINHUA)—Chinese and Soviet banks have agreed to co-operate in the development of economic and trade ventures between the two countries, a spokesman for the Bank of China said today.

According to the spokesman, a five-member delegation, headed by the bank's deputy governor Ling Zhi, is currently visiting the Soviet Union to discuss such joint banking matters.

The spokesman said that during their stay, the delegation will sign two agreements with their Soviet counterparts, one for co-operation in banking and the other to settle accounts of local barter trade between the two countries.

He noted that it is the first time that the bank has sent its senior officials to visit the Soviet Union in the past 30 years. "They will discuss ways to solve problems like bilateral trade, economic co-operation and settlement of accounts," he said.

The official said that great progress has already been made in barter and boundary trade between Chinese provinces, municipalities and autonomous regions and the related business departments of the Soviet Union.

However, he pointed out, problems such as opening a bank account and settling a trade account are yet to be solved.

The official pledged that his bank will stick to the principle of mutual discussion and exchange of experiences in the long tradition of co-operation between the two countries, while at the same time striving to establish new ways of solving existing problems.

LIAOWANG on Sino-Soviet Relations
HK1110132288 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 41, 10 Oct 88 p 27

[Article by Wu Jin (0702 2516): "The Normalization of Sino-Soviet Relations Is the Trend of the Times"]

[Text] The foreign ministers of China and the Soviet Union recently announced after their meeting at the UN General Assembly that Chinese Foreign Minister Qian Qichen will visit the Soviet Union before the end of this year. This news immediately became a hot topic in international public opinion. In the world, there are tens or even more than 100 official visits at the ministerial level; however, this visit became very noticeable to the world even before it has occurred. This is probably because it is universally held that this visit may presage a meeting between top-level Chinese and Soviet leaders that has long been brewing and is not far off now. The time is nearly ripe for normalizing Sino-Soviet relations. On the same day the news was announced, UPI said that this visit "will be the first step for the improvement of Sino-Soviet relations and may lead to a meeting between Gorbachev and Deng Xiaoping."

Comments made by various quarters in the past period showed that people cherished mixed feelings toward the recent developments in Sino-Soviet relations: Most people welcomed the normalization of Sino-Soviet relations, but some people also had misgivings about this.

People who are glad to see the normalization of Sino-Soviet relations naturally have good reasons: China and the Soviet Union are the two largest countries in the Eurasian continent with a total population of 1.3 billion

people, accounting for more than one-fifth of the world's population and with a total area of 32 million square kilometers, accounting for near one-quarter of the world's total land area. If relations between these two "gigantic" countries are normalized, it is self-evident that this is of great significance in eliminating the unstable factor in this region and in maintaining world peace.

Since the mid 1980's, along with the relaxation and improvement of relations between the two superpowers, the United States and the Soviet Union, a trend of detente has appeared in the world. Some "hot spots" in Asia, Africa, and the Middle East are gradually "cooling down;" some disputes are being solved through consultation and dialogue. Under these circumstances, if the two large countries of China and the Soviet Union can normalize their relations and make joint efforts to promote world peace and development, the further advance of the detente trend will certainly be given forceful impetus to further advance. For the Chinese and Soviet people and all peace-loving people in the world, aren't such prospects a very good thing? Won't they gladly welcome such developments?

However, it should also be admitted that some misgivings are also understandable. This is because China and the Soviet Union, anyhow, share the same political and social system; during the first few years after the founding of the PRC, China unreservedly sided with the Soviet Union. Moreover, China and the Soviet Union stood on the same side in the Korean and Vietnam Wars and jointly fought against the United States. Today, as international relations are undergoing major adjustments, will the "honeymoon" of Sino-Soviet relations in the 1950's reappear? Will these two communist "giants" join up again to face the developed countries of the West?

Such suspicion is understandable, but it can hardly be other than "entertaining groundless fears."

First, the international situation today is not as in the past, and bloc politics and hegemonism have already reached a deadend. Today, even the two superpowers, the Soviet Union and the United States, have realized that their confrontation and rivalry in the past few decades have produced more loss than gain and can hardly be kept up. They have no choice but to substitute dialogue for confrontation. Then, it cannot be imagined that under such a world situation, China would still involve itself in the big-power game of supporting one side and opposing the other.

The three countries—China, the United States, and the Soviet Union—are referred to as a "strategic triangle." It is up to people to judge whether this is a correct proposition or not. We may take this "triangle" approach as an expedient viewpoint. We may find that Sino-U.S. relations have long been normalized and that U.S.-Soviet relations are also being improved gradually. So it quite natural that Sino-Soviet relations should also

be normalized. If normal relations between these three important countries are maintained, the world can only improve and become more peaceful.

Second, facts of history prove that the foreign policy of any country is first decided by the country's own interests and not by ideology. As all people know, World War II was not started by countries with different social systems. After the end of World War II, some countries with the same social system were involved in disputes, confrontation, and even wars; there is no lack of such examples. Take relations between China and the Soviet Union as an example. The reason why relations between the two countries have taken so long to normalize is that there exist three major obstacles, and none of them has to do with ideology. The advance of the two sides toward normalization today is not because they have agreed on ideology but because the Soviet side has agreed to work on removing the obstacles. As far as China is concerned, the most important thing is to make Vietnam withdraw its troops from Cambodia as soon as possible to make possible a reasonable solution to the Cambodian issue at an earlier date. Otherwise, a meeting between the top-level leaders of the two countries and the normalization of relations between the two countries would be out of question. Hence, one can hardly avoid reaching the wrong conclusion if one continues to look at the trends in Sino-Soviet relations through the tinted spectacles of prejudice.

Third, and more importantly, independence and opening-up is China's basic national policy, and is not a stopgap measure. To be independent, we will not enter into alliance with any big power bloc; to open up, we will develop political, economic, scientific, technological, and cultural exchanges and cooperation with all countries no matter whether they are big or small. China is a big country, but a big country with a backward economy. China can seek development only in a peaceful environment and must concentrate all her strength on realizing the four modernizations. Therefore, China always holds that all countries should develop friendly and cooperative relations on the basis of the five principles for peaceful coexistence. China is willing to make friends with all nations and does not want to fall foul with any country.

The era is advancing, and detente, consultation, and dialogue are becoming the major tunes of our era. Against this background, the advance toward normalization in Sino-Soviet relations is the trend of the times.

HUASHENG BAO Criticizes Tributes to Stalin
OW0810073788 Tokyo KYODO in English
0700 GMT 8 Oct 88

[Text] Hong Kong, Oct. 8 (KYODO)—Massive portraits of Stalin should no longer be displayed in public places in China and a street named after the former Soviet leader should be renamed, a Beijing newspaper said in a front page article Friday [7 October].

The HUASHENG BAO, a paper published in Beijing for Overseas Chinese, cited an April 1941 treaty with Japan in which the Soviet Union recognized the Japanese puppet state of Manchukuo in Northeast China. It said that Stalin boulevard in the city of Changchun, once the capital of Manchukuo, should be renamed.

In China, the name of Stalin is still publicly revered by the Communist Party leadership, despite recent admissions in the official Soviet media that he was responsible for millions of deaths.

The massive portraits of Stalin hung in Beijing on China's National Day and other public occasions should no longer be displayed because of his crimes, the HUASHENG BAO said.

The paper said that the Soviet Union had already decided to rename such places honoring Stalin and to build a monument in Moscow to his victims.

"Why should we stand in opposition to this," the paper asked.

Chen Muhua, Chen Xitong Meet Tereshkova
OW0910142488 Beijing in Russian to the USSR
1900 GMT 7 Oct 88

[Text] Comrade Chen Muhua, vice chairman of the NPC Standing Committee and president of the All-China Women's Federation, at noon on 7 October received Comrade Tereshkova, chairman of the Union of Soviet Societies for Friendship and Cultural Relations with Foreign Countries, and her delegation at the Great Hall of the People in Beijing.

Comrade Chen Muhua acquainted the Soviet visitors with the goal of PRC economic development, and its successes and problems in economic reform, and said that in the next 2 years the PRC expects to improve the economic situation, establish economic order, and comprehensively deepen the reform.

Comrade Tereshkova said: There are at present many similarities in our two countries. You are carrying out a radical reform. We are carrying out a radical perestroika in our society. It seems to us that the study of each other's experience and exchange on this experience will help enrich our people.

After the meeting, Comrade Chen Muhua hosted a luncheon in honor of all members of the delegation.

That same evening Chen Xitong, mayor of Beijing, met Tereshkova and her delegation. Chen Xitong said: Under the situation when relations between our two countries are constantly improving, when in particular the friendly contacts between Beijing and Moscow are

constantly becoming more frequent, we are especially glad to meet you. I think that the relations between Beijing and Moscow will become closer and closer in future.

Tereshkova said: We in the Soviet Union and Moscow highly assess the good relations between Moscow and Beijing, and are happy about this.

After the meeting, a banquet was hosted in the Beijing Hotel. (?Wu Li), Beijing vice mayor, had a dinner together with all members of the Soviet delegation.

Northeast Asia

Li Peng Meets With Hong Kong Delegation
OW0810185588 Beijing XINHUA in English
1502 GMT 8 Oct 88

[Text] Beijing, October 8 (XINHUA)—Chinese Premier Li Peng met with a delegation from the China Light and Power Company of Hong Kong, led by its chairman Lord Lawrence Kadoorie here today.

Li praised Lord Kadoorie for his foresight and sagacity in co-operating with China in the construction of the Guangdong nuclear power station.

Li said that the project is being built smoothly, adding that it is imperative to put high quality above everything else, guarantee the time limit for the project, and save investment as well.

Li said the co-operation on the project is an indication of the friendly relations between China and Britain, and at the same time, it reflects the fact that both countries have full confidence in Hong Kong's continued prosperity and stability.

"We hope that Hong Kong will continue to play its role of international financial and trade center," Li said.

Lord Kadoorie said he will continue to co-operate with the Chinese authorities, and added that he believes that the nuclear power station will be successful. He also reaffirmed his confidence in Hong Kong's future.

Qian Qichen's Scheduled Japan Visit Postponed
OW1110170288 Beijing XINHUA in English
1615 GMT 11 Oct 88

[Text] Tokyo, October 11 (XINHUA)—China and Japan have agreed to postpone a visit by Chinese Foreign Minister Qian Qichen to Japan because of Japanese Emperor Hirohito's illness, a senior official of the Chinese Embassy here told XINHUA today.

Originally scheduled for October 20 to 25, Qian's visit was to mark the 10th anniversary of the Sino-Japanese Treaty of Peace and Friendship.

The two countries will discuss, through diplomatic channels, a new date for the visit, the official said.

The 87-year-old emperor has remained in a precarious condition since September 19 when he vomited a large amount of blood. His illness has led to the cancellation of a number of planned visits to Japan by foreign dignitaries.

Wang Shoudao Fets Japanese Study Group Leader
OW1010150888 Beijing XINHUA in English
1211 GMT 10 Oct 88

[Text] Beijing, October 10 (XINHUA)—Wang Shoudao, president of the China Association for International Friendly Contacts, met and feted here this evening Kenjiro Mitsuoka, leader of a Japanese nongovernmental society for study of China's politics and economy.

Wang is also a Standing Committee member of the Chinese Communist Party Central Advisory Commission.

Mitsuoka and his wife arrived here earlier today as guests of the association.

Japanese Repatriates From China Council Meets
OW1010231388 Beijing XINHUA in English
1605 GMT 10 Oct 88

[Text] Aichi Prefecture, Japan, October 10 (XINHUA)—Japan's Liaison Council for Japanese Repatriated From China ended a two-day meeting here today with Masakazu Tomchisa elected chairman of the Council.

During the meeting, the participants, mostly veterans over 60 years of age, said they will, as always, make efforts to oppose wars of aggression, safeguard world peace and promote Japan-China friendship and cooperation. Some repatriated Japanese, with tears in their eyes, thanked the Chinese Government for its leniency.

The Liaison Council for Japanese Prisoners Repatriated From China was set up in the 1950s with 1,200 members. Since the formation of the Council, these repatriated Japanese have worked for the establishment of Japan-China diplomatic relations and the further development of friendship between the two countries.

Chen Qi and Wu Haoran, former Chinese supervisors of prisoners of war in Fushun camp in north China, attended the meeting.

DPRK Provincial Delegation Visits Jilin
SK0810104788 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 7 Oct 88

[Text] At the invitation of the Jilin Provincial People's Government, an eight-member foreign affairs workers delegation from Korea's Chagang Province led by Chon Min-sin, director of the (?Foreign Affairs Bureau) of

Korea's Chagang Provincial Administrative and Economic Guidance Committee, arrived in our province on 5 October for a friendly visit. That evening, Wang Yunkun, secretary general of the provincial government, met with and feted all the members of the delegation at the Nanhu Guesthouse. During its stay in Changchun, the delegation visited the Changchun Film Studio, the Guangfu Road farm product market, and other units. It left Changchun today to visit Jilin, Siping, Tonghua, Liaoyuan and Hunjiang.

DPRK Thermal Power Plant Begins Operation
OW1110184188 Beijing XINHUA in English
1655 GMT 11 Oct 88

[Text] Pyongyang, October 11 (XINHUA)—The DPRK Ministry of External Economic Affairs held a celebration tonight in Sunchon County to mark the completion of Sunchon Thermal Power Plant built with China's help.

The plant was started in May 1984 under a Sino-Korean agreement which involved China's economic and technical assistance to DPRK.

China provided the plant with a complete set of equipment, the basic technological material and designs, and was also responsible for the installation and technical instructions for operation.

The total installed capacity of the plant is 200,000 kilowatts, including four turbo-generators of 50,000 kw.

Southeast Asia & Pacific

Defense Minister Meets Thai Air Force Commander
OW0910002788 Beijing XINHUA in English
0746 GMT 8 Oct 88

[Text] Beijing, October 8 (XINHUA)—Chinese Minister of Defense Qin Jiwei met with Air Chief Marshal Woronat Aphichari, commander-in-chief of the Royal Thai Air Force at the Great Hall of the People here this morning.

Qin, also a state councillor, expressed satisfaction with the friendly, cooperative relations between the two countries and their armed forces. He spoke highly of the Thai Government and Army for their principled position in support of the Kampuchean people's struggles to resist external aggression and seek a just and reasonable solution of the Kampuchean issue.

The Thai Air Force leader said the Thai people and Army will strive to contribute more to the solution of the Kampuchean question at an earlier date and to the peace and stability in the Southeast Asia region.

Both sides agreed that the expansion of traditional friendship between the two countries and their armed forces conforms with the fundamental interests of the two peoples and will be beneficial to the peace and stability in the region.

Woronat Aphichari is here for an official goodwill visit as guest of Wang Hai, Air Force commander of the Chinese People's Liberation Army.

Near East & South Asia

Zhang Jingfu Meets Omani Trade Delegation
OW1110132188 Beijing XINHUA in English
1030 GMT 11 Oct 88

[Text] Beijing, October 11 (XINHUA)—Zhang Jingfu, member of the Standing Committee of the Central Advisory Commission of the Chinese Communist Party, met a delegation of the Oman Chamber of Commerce and Industry led by its President Maqbul Ibn 'Ali Sultan at the Great Hall of the People here today.

The delegation arrived Sunday at the invitation of the China Council for the Promotion of International Trade to discuss with the Chinese side possibilities of developing trade and economic relations between the two countries.

Iraqi Delegation Visits Tianjin 22 Sep
SK1110114388 Tianjin TIANJIN RIBAO
in Chinese 23 Sep 88 p 1

[Text] On the evening of 22 September at a cadres' club, Tan Shaowen, deputy secretary of the municipal party committee and chairman of the municipal CPPCC Committee, met with the four-member delegation of the Iraqi National Progressive Front headed by Adir 'Abdallah, member of the Supreme Committee under the National Progressive Front. Host and guests held cordial and friendly talks on deepening the understanding between the peoples of the two countries and strengthening the friendship between the two nations.

Xiao Yuan, vice chairman of the municipal CPPCC Committee, and Guo Jinhou, secretary general of the municipal CPPCC Committee, were present at the meeting.

Accompanied by Aimaiti Wajidi, Standing Committee member of the National CPPCC Committee, the delegation will pay a 3-day visit to our municipality.

Li Yimang Meets Bangladesh Delegation
OW0810003788 Beijing XINHUA in English
1520 GMT 7 Oct 88

[Text] Beijing, October (XINHUA)—Li Yimang, president of the Association for International Understanding of China, met and feted here today with a delegation of center for development research of Bangladesh led by Dr S.A.L. Reza.

Sub-Saharan Africa

Rui Xingwen Meets, Fetes Malian Party Group
OW1010203488 Beijing XINHUA in English
1257 GMT 10 Oct 88

[Text] Beijing, October 10 (XINHUA)—Rui Xingwen, member of the Secretariat of the Chinese Communist Party Central Committee, met and feted here today a delegation from the Malian People's Democratic Union.

Headed by M'Bouille Siby, member of the Central Executive Bureau and administrative secretary of the Union, the Malian delegation arrived here September 27 on a vacation tour at the invitation of the Chinese Communist Party.

During the meeting, Rui said that the Chinese Communist Party attaches importance to developing the friendly cooperative relations between China and Mali as well as their parties and peoples.

M'Bouille Siby said that he is happy about the fruitful cooperations between Mali and China.

The Malian guests are scheduled to wind up their China tour and leave here tomorrow.

CPPCC Official Meets Sierra Leonean Guests
OW1210022288 Beijing XINHUA in English
1243 GMT 11 Oct 88

[Text] Beijing, October 11 (XINHUA)—Wang Renzhong, vice-chairman of the Chinese People's Political Consultative Conference National Committee, met with and gave a dinner for A. K. Turay, minister of state of Sierra Leone, his wife and entourage at the Great Hall of the People here this evening.

Wang Zhen Receives New Mauritian Envoy
OW1110103788 Beijing XINHUA in English
0720 GMT 11 Oct 88

[Text] Beijing, October 11 (XINHUA)—Mauritian new Ambassador to China Dhurma Gian Nath presented his credentials to Chinese Vice President Wang Zhen at the Great Hall of the People here today.

Nath arrived in Beijing Monday.

Fleet Departs for West African Fishing Grounds
OW1010233688 Beijing XINHUA in English
1526 GMT 10 Oct 88

[Text] Guangzhou, October 10 (XINHUA)—Five Chinese trawlers left the southern city of Guangzhou Monday for West African fishing grounds, bringing the number of Chinese fishing vessels operating in the area to 32.

The fleet, belonging to the Yantai Deep-Sea Fishing Company in east China's Shandong Province, is the third China has sent to West Africa in the past three years.

The first set out in 1985 from Mawei Port, in east China's Fujian Province.

West Europe

Finnish President Interviewed on Impending Visit
OW1110100688 Beijing XINHUA in English
1454 GMT 10 Oct 88

[Text] Helsinki, October 10 (XINHUA)—Finnish President Mauno Koivisto told XINHUA reporters today in a written interview that his visit to the People's Republic of China will strengthen the positive development of relations between the two countries.

Koivisto is the first Finnish president to visit China since 1950 when diplomatic relation was established between China and Finland.

"I believe my meeting with the Chinese leaders will further our mutual understanding and open new prospects for the good and friendly relations between Finland and China," Koivisto said.

Koivisto's eight-day visit to China begins Tuesday at the invitation of his Chinese counterpart Yang Shangkun.

In the past ten years, with the implementation of the Chinese open policies, the Finnish president said, Finland and China have created new cooperation forms in all areas in their economic relations.

"I believe we can further strengthen the mutual beneficial relations during my visit," Koivisto said, adding that his party includes senior economic delegates who will hold talks with the Chinese economic officials on details of cooperation in trade and industry.

Great powers are chiefly responsible for the maintenance of world peace, the Finnish president said, and it will be useful to get the Chinese leaders' views on the international political situation since China is a permanent member of U.N. Security Council.

"I expect to have talks on political and economic development and in the Asian and Pacific region in which Finland has become more and more interested," Koivisto said.

The central purpose of Finnish foreign policy is to maintain and develop friendly relations, he said, adding that as a small neutral country, Finland contends that all countries, big or small, should exert their influence on international development.

Departs Helsinki 10 Oct
OW1010233188 Beijing XINHUA in English
1935 GMT 10 Oct 88

[Text] Helsinki, October 10 (XINHUA)—Finnish President Mauno Koivisto and his wife left Helsinki this evening for an eight-day state visit to China.

Koivisto and his party will arrive in Beijing Tuesday on a Finnair Oy (Finnish airline) airliner. It is the first visit by a Finnish president to China since Finland and China established diplomatic relations 38 years ago.

In a written interview prior to his departure, Koivisto told XINHUA reporters that his visit will further the development of friendly relations, mutual benefit and cooperation between the two countries.

The presidential party includes Finnish Minister of Foreign Affairs Kalevi Sorsa and Minister of Foreign Trade Pertti Salolainen. The economic delegation, consisting of the leaders of large companies, also leaves here for Beijing on the same airliner.

Finnish Prime Minister Harri Holkeri, Under-Secretary of Foreign Ministry Ossi Sunell and Chinese Charge d'Affaires ad interim to the Chinese Embassy in Finland, Du Zhongying, saw the Finnish president off at the airport.

Finland-China relations have seen positive developments in political, economic, trade, scientific and technological and cultural spheres. Between 1983 and 1987, trade volume between the two countries has increased 150 percent.

Arrives in Beijing 11 Oct
OW1110023888 Beijing XINHUA in English
0220 GMT 11 Oct 88

[Text] Beijing, October 11 (XINHUA)—Finnish President Mauno Koivisto and his wife arrived in Beijing this morning by special plane to begin their six-day state visit to China, as guests of Chinese President Yang Shangkun.

Koivisto is the first Finnish president to come here since the two countries established diplomatic relations in 1950.

It is learned that the Finnish president is here to learn about China's views on current international situation and its policy of reform and opening up to the outside world.

Accompanying him are Finnish Government officials including foreign minister and minister of foreign trade, and more than 20 entrepreneurs.

Chinese President Yang Shangkun is scheduled to host a welcoming ceremony and a banquet for the guests later today.

Joint Paper Project Finalized
OW1110132488 Beijing XINHUA in English
0915 GMT 11 Oct 88

[Text] Beijing, October 11 (XINHUA)—Within three hours of his arrival in Beijing today with a delegation headed by Finnish President Mauno Koivisto, Finnish Foreign Trade Minister Pertti Salolainen had already taken part in two economic activities.

"There are three more economic contracts to be signed between China and Finland," said Salolainen at a contract signing ceremony for a Sino-Finnish joint venture, the Xian-Valmet Paper Machinery Inc.

China's Xian Paper-Making Machinery Works, one of the three biggest pulp and paper machine suppliers in the country, and Finland's Valmet Paper Machinery Inc are the partners in the paper machine joint venture.

He revealed that the Finnish delegation includes a group of "very important" industrialists, who are here for business talks with their Chinese counterparts.

Earlier, he attended the foundation stone laying ceremony for a hotel in Beijing, another Sino-Finnish joint venture.

The Xian works, also one of the most advanced in the industry in China, has about 40 percent of the market share of the country's paper machines. The joint venture is expected to enable it to increase product varieties to respond to market demands in or outside China.

Chen Minzhang, public health minister and chairman of the Chinese Government reception committee for the Finnish delegation, attended the ceremony.

Yang Shangkun Hosts Dinner
OW1110230788 Beijing XINHUA in English
1545 GMT 11 Oct 88

[Text] Beijing, October 11 (XINHUA)—Chinese President Yang Shangkun hosted a banquet in honor of visiting Finnish President Mauno Koivisto and his party here this evening at the Great Hall of the People.

Koivisto is the first Finnish president to visit China since the two countries established diplomatic relations 38 years ago.

Both presidents expressed satisfaction over the fast development of bilateral relations in recent years.

Yang said that there have been increasing contacts between China and Finland in politics and bilateral trade in the past few years.

Yang said, "bilateral ties have been consolidated and promoted because both of us respect and understand each other."

Koivisto's current visit will turn a new page in Sino-Finnish history, Yang said.

Koivisto said that since the establishment of diplomatic relations, bilateral relations have developed smoothly.

He noted that there have been increasing contacts in the fields of politics, trade, culture and tourism. The Finnish president said that the future of Sino-Finnish trade and economic cooperation is bright. China's strong and rapidly-developing economy will yield high quality products, Koivisto said.

The two presidents also exchanged views on the international situation in their speeches.

Yang said there have been some positive changes in the international sphere which has led to easing of tensions and solutions of [passage indistinct]

This new feature in the international situation is due to the unremitting efforts of people in various countries to safeguard peace and development. He said Finland was one such country which had worked for easing of international tension, disarmament and promotion of international cooperation.

Yang said that promoting common development requires still further easing of tensions. "We think all countries, big or small, can contribute their part to this," he said.

On domestic affairs, Yang said China has entered a critical stage of the reforms. The Chinese Government and people are striving to improve the economic environment to make a solid basis for the smooth progress of China's socialist modernization.

The Europeans view peace in a global perspective, Koivisto said, adding the security of Europe and that of the world are inseparable.

"While the big and the nuclear nations shoulder the major responsibility of ensuring peace, smaller countries also share the right and obligation to discuss and solve this global issue," he said.

Koivisto described his country as committed to strengthening the United Nations, promoting arms control in its neighbouring area, and furthering mutual trust among nations.

Finland stands for eliminating inequality through building up a world economic system and cultivating effective cooperation, he said.

With a foreign policy based on mutual trust, good neighborly relations and cooperation, Finland refrains from the conflicts between big powers and seeks friendly relations with all nations, Koivisto said.

However, it is not Finland's policy of remaining an aloof outsider, he pointed out. Instead, it will get actively involved in consolidating peace and promoting international cooperation in accordance with its policy of neutrality, he added.

He expressed appreciation for the respect China has shown for Finland's neutrality. He said Finland pays close attention to Chinese leaders' views on international issues.

The Finnish president, who arrived here this morning, is here on a six-day state visit at the invitation of Yang Shangkun.

Prior to the banquet, Yang presided over a welcoming ceremony for his Finnish counterpart.

Civil Aviation Study Group Leaves for Finland
OW0710162888 Beijing XINHUA in English
0845 GMT 7 Oct 88

[Text] Beijing, October 7 (XINHUA)—A study group of the Civil Aviation Administration of China (CAAC) left here today for Finland at the invitation of the Finnair, the Finnish flag-carrier.

Li Zhao, group head and deputy director-general of CAAC, described the visit as an important exchange between the CAAC and Finnair, which opened the Helsinki-Beijing air route in June.

CAAC is considering opening its own Beijing-Helsinki air service as soon as possible, Li Zhao said at an interview with XINHUA before leaving.

Sino-French Medical Symposium Held 7 Oct
OW0810021088 Beijing XINHUA in English
1555 GMT 7 Oct 88

[Text] Beijing, October 7 (XINHUA)—More than 230 Chinese and French medical specialists gathered here today to attend a symposium on cardiovascular diseases.

This is the ninth such academic exchange organized by the Ministry of Public Health's International Health Center and the French pharmaceutical company, Merck, Sharp, and Dohme-Chibret.

At the one-day symposium, the participants exchanged the newest clinical findings on cardiovascular diseases and explored the possibilities of further co-operation.

Begun last year, the academic exchanges will extend to 1989.

Attorneys' Group Visits Britain, Signs Pact
OW0810021988 Beijing XINHUA in English
0032 GMT 8 Oct 88

[Text] London, October 7 (XINHUA)—A delegation of Chinese lawyers signed an agreement of friendship with their British counterparts in London today.

The agreement, signed by the All-China Lawyers Association (ACLA) and Britain's General Council of the Bar and the Law Society, aims to "establish close and friendly relations" between the legal professional bodies of the two countries.

Sir Patrick Mayhew, the attorney-general, was present at today's signing ceremony.

The Chinese delegation, led by Zou You, president of the ACLA and a former minister of justice, is in Britain at the invitation of the lord chancellor, Lord Mackay of Clashfern, and the English legal profession for the opening of the legal year ceremonies.

During its five-day stay in Britain, the five-member delegation is scheduled to study Britain's legal system and visit courts, law firms and law schools.

East Europe

Czechoslovakia's Prime Minister Resigns 10 Oct
OW1110025788 Beijing XINHUA in English
1647 GMT 10 Oct 88

[Text] Prague, October 10 (XINHUA)—Czechoslovak Prime Minister Lubomir Strougal, resigned on Monday, the official Czechoslovak News Agency CTK reported.

Strougal, who has taken the premiership since January 1970, also resigned as member of the Czechoslovak Communist Party's Presidium, CTK said.

Another senior official Peter Colotka, also presented his resignation as member of the Presidium, deputy prime minister and prime minister of the Slovak Republic.

Adamec Nominated New Leader
OW1110231288 Beijing XINHUA in English
2004 GMT 11 Oct 88

[Text] Prague, October 11 (XINHUA)—Ladislav Adamec Tuesday was nominated new Czechoslovak prime minister to succeed Lubomir Strougal, who stepped down yesterday.

The announcement was made at a news conference after the conclusion of a two-day meeting of the Communist Party's Central Committee, which also named five new members to the Presidium, raising the ruling body's full membership to 15.

Adamec, 62, who entered the Czechoslovak Communist Party's Presidium in 1969, has been Czech prime minister since March, 1987. He became a deputy premier in a cabinet reshuffle in April this year.

Miroslav Zavadil, 56, chairman of the Official Trade Unions, and Frantisek Pitra, 56, were elevated to full voting members of the Presidium. Pitra was also named to replace Adamec as Czech prime minister.

The other three new members include Karel Urbanek, 47, who will lead a new committee for party work, Ivan Knotek, 52, the Slovak Central Committee secretary who will also become Slovak prime minister and Prague party boss Miroslav Stepan, 43.

Strougal, nearly 60, who has taken the premiership since January, 1970, has offered to resign both as prime minister and as member of the party's Presidium.

Another senior official Peter Colotka also submitted his resignation as member of the Presidium, deputy premier and prime minister of the Slovak Republic.

Yugoslav Province Leaders Resign After Protests
OW0810010688 Beijing XINHUA in English
0643 GMT 7 Oct 88

[Text] Belgrade, October 6 (XINHUA)—The entire Communist Party leadership of Yugoslavia's Vojvodina Province resigned Thursday after 100,000 citizens protested.

The protesters besieged Communist Party headquarters in Novi Sad, the capital of Vojvodina, on Wednesday morning, demanding the immediate resignations of the provincial leaders, accusing them of opposing policies advocated by Serbian leaders.

The two successive days of demonstrations marked one of the biggest protests in the country since 1945, although tens of thousands of Serbs have rallied almost daily for three months in support of Serbian efforts to assert more authority.

According to local reports, Vojvodina's leaders have resisted recent Serbian moves to regain control over Vojvodina and the ethnically troubled Kosovo, the two autonomous Serbian provinces.

The Communist Party leadership of Serbia, the largest of Yugoslavia's six republics, backed the demonstrators' call for the resignations.

The mass resignation was approved 87 to 10 in an emergency session of the province's policy-making party Central Committee. The meeting was broadcast live on the country's radio and television networks.

In a communique issued soon after the resignation, Yugoslav Communist Party leadership described the situation as extremely serious and complex, accusing the province's leaders of serious mistakes.

Protesters Dispersed by Force

OW0810234788 Beijing XINHUA in English
1457 GMT 8 Oct 88

[Text] Belgrade, October 8 (XINHUA)—Riot police broke up a crowd of more than 20,000 protestors Saturday in Yugoslav's Montenegro Republic, the first time that the police have used force to disperse a demonstration in recent months.

The protesters demanding higher pay and resignation of the local government rallied outside the parliament building of Titograd, the capital of Montenegro. A number of protesters were injured when police forced them from the square after repeated requests that they leave peacefully.

The demonstration, which started Friday, was triggered by a strike of approximately 1,000 workers demanding a doubling of their wages and an increase in their living standard. Yugoslavia recently is suffering under a 200 percent annual inflation rate.

The protesters also demanded a crackdown on ethnic Albanians in the province of Kosovo, where they said minority Serbs and Montenegrins are being persecuted by an overwhelming majority of the ethnic Albanians.

The demonstrators accused Montenegrin officials of failing to support the efforts by leaders of the Serbian republic to stem the Kosovo unrest.

Unrest in Montenegro Viewed

OW0910090188 Beijing XINHUA in English
0721 GMT 9 Oct 88

[Text] Belgrade, October 8 (XINHUA)—Yugoslavia's Communist Party leadership today criticized nationalist groups' attempts to overthrow legal authorities by protest rallies.

Some 20,000 workers and students demonstrated in Titograd, capital of the southern republic of Montenegro Friday, demanding salary increases, the resignation of the Montenegrin Communist Party leadership and of President Branko Mikulic's federal government.

The protesters chanted "Long Live Serb Leaders" and sang songs in praise of Serbia's party leader, Slobodan Milosevic.

Montenegrin leaders have repeatedly said that they will consider reasonable demands by the people, and called for an end to the massive rallies.

However, protesters ignored the call and some tried to force their way into the the regional parliament building. Police dispersed the demonstrators.

The Presidium of the Yugoslav Communist Party said in a statement today that the discontent in Montenegro is just and requires governments at all levels to take measures to lessen the burden of the economic departments and guarantee the living standards of low-income residents.

Republics Support Montenegrin Leaders

OW1010083188 Beijing XINHUA in English
0700 GMT 10 Oct 88

[Text] Belgrade, October 9 (XINHUA)—Two republics in Yugoslavia expressed their support for the leadership of the Montenegrin Republic for its position toward mass rallies in the republic, the official Yugoslav News Agency TANJUG reported today.

In a communique issued today, the Presidency of the Communist League Central Committee of Posnia and Hercegovina said the protest rallies in the Montenegrin Republic can only render the situation there more tense and unstable.

Meanwhile, in a letter to the Montenegrin republic last night, the Presidency of the Communist League Central Committee of Slovenia noted that the ethnic chauvinists in Montenegro are trying to make use of the people's discontent to overthrow the legal leadership formed through democratic election.

Tens of thousands of people held demonstrations in Titograd, capital of the Montenegrin republic, Friday and Saturday, demanding pay rises and the resignation of the republic's party and government leadership. Earlier in the week, the Communist League leadership of Vojvodina Province resigned under the pressure of demonstrations staged by more than 100,000 people.

The leadership of the Montenegrin [as received] at a session Saturday regarded the demonstrators' demand for resolving an economic and political crisis as justifiable but resolutely rejected attempts to overthrow the legal leadership with "illegal means."

President Discusses Internal Situation

OW1010113488 Beijing XINHUA in English
0857 GMT 10 Oct 88

[Text] Belgrade, October 10 (XINHUA)—Yugoslavia President Raif Dizdarevic said Sunday the internal situation is very serious and that authorities will take every measure allowed by the Constitution to safeguard the constitutional system, public order and security.

In a national radio and televised speech Sunday evening, Dizdarevic said the recent events occurring in several cities of the country are threatening the normal functioning of the social system and even the constitutional system.

Unless consensus is achieved and an amendment is made to the Constitution, Yugoslavia will fall into a more serious crisis with an unimaginable outcome, he said.

He said many differences in amending the Constitution have been settled and efforts will be made next week to smooth out the rest of them.

He asked the political leaders of the republics, autonomous provinces and regions not to do, nor allow anyone to do, anything that will lead the situation to further deterioration.

He also appealed to the people to be responsible for the country's fate and not to forget their patriotic obligations.

A series of protest rallies have been held in Yugoslavia's Serbia republic, Vojvodina and Kosovo Autonomous Provinces in the past two months in support of Serbs and Montenegrins living in Kosovo.

Besides condemning Albanian nationalists and separatists, the rallies also criticized many leaders of the Yugoslav federation, republics and autonomous provinces.

On October 4 and 5, thousands of workers in Belgrade held protest rallies outside the building of the Federal Parliament, demanding higher pay, lighter burden on economic departments, an extraordinary parliamentary session and resignation of the federal government.

On October 5 and 6, over 100,000 people of Vojvodina Autonomous Province sieged the headquarters of the provincial Communist Party Committee and forced the leadership to resign en masse.

Some 20,000 people held rallies in Titograd, capital of Montenegrin Republic on October 7 and 8, demanding the republic's party leadership resign and recall the Montenegrin representatives from the federation.

News Analysis Views Polish Cabinet's Power Base
OW1010232088 Beijing XINHUA in English
1630 GMT 10 Oct 88

["News Analysis: New Political Base for Polish Cabinet (By Wen Youren)"]—XINHUA headline]

[Text] Warsaw, October 10 (XINHUA)—Various indications here show that a list of the new Polish Cabinet which will be presented to parliament on October 13 by the newly-appointed premier, Mieczyslaw Rakowski, will include representatives of some social groups.

Rakowski was appointed premier on September 27, and two days later the Polish newspaper TRYBUNA LUDU clearly pointed out in a commentary that in accepting the post, Rakowski found himself with the "extremely difficult mission" of forming a new cabinet.

At the beginning of this year, Poland launched its second stage of economic reforms characterized by a price-income reform policy. The policy has not led the country out of the economic crisis which has sparked labor unrest and brought mass resignations within the Polish Government headed by former Premier Zbigniew Messner on September 19.

Vladyslaw Baka, Politburo member of the Polish United Workers' Party Central Committee, admitted not long ago that Poles had expected too much from the second stage of economic reforms, but they feel disappointed now.

However, during the past 10 days or more, Rakowski shuttled among the political parties and social organizations to consult with them about the forming of the cabinet.

Rakowski plans to expand the political base of the new government by absorbing those who might think differently but constructively, and establish a government which persistently carries out political and economic reforms so that the new government will win broad social support and participation in the reform process.

There is no doubt, observers here believe that under the current situation the task facing Rakowski is extremely difficult.

"The process of consultation gives me a certain optimism," Rakowski said, but he also disclosed that some of those in his proposed cabinet list declined to "share common responsibilities" with him.

Reports here indicate that most of the interest groups have taken positive attitudes towards the forming of the new cabinet while voicing to a certain degree their own positions and demands.

Those parties, which have long joined the United Workers' Party in running the state, expressed their active support for the forming of the cabinet, and at the same time demanded that the new cabinet embody a ratio of all social interest groups.

All-Poland Trade Union Agreement (OPZZ) leaders said that their cooperation with the new premier will be successful, but also noted that differences between them could not be ruled out. The OPZZ was reported to have firmly asked the Messner government to resign.

Polish Primate Jozef Glemp said the church has supported reform and will be involved in the process, but he maintains that political power should be open to society.

Lech Walesa, leader of the outlawed Solidarity Trade Union, said that the current situation is changing and it is necessary to carry out compromises so as to reduce anarchism and contradictions in the country to the lowest degree.

Also, Rakowski is expected to increase the number of vice premiers, embracing the United Peasants' Party, the Democratic Party, the church and those close to the opposition forces.

In the early 80's, there were eight vice premiers in Wojciech Jaruzelski's cabinet. Besides Poland's ruling United Workers' Party, three of them were from the Polish United Peasants' Party, the Democratic Party and the Polish Pax Association respectively.

In September 1985, Messner reduced the vice premiers to five and only one of them was from the United Peasants' Party.

Messner again cut the vice premiers to three in the streamlining of the government organizations last October—one representing the ruling party, one from the United Peasants' Party and the other a non-party economist.

Observers here believe that the defense minister, foreign minister and minister of internal affairs may remain in their posts. Culture and Arts Minister Mieczyslaw Kazimierzczuk, a non-party writer, may also remain in his post.

But a number of new faces, including those from some social organizations who have no experience in government, will apparently appear in the new cabinet. The new cabinet will have remarkably broadened its political base and will win comparatively greater support and trust from society. The forming of the new cabinet on October 13 does not mean the end of the work and efforts will continue to embrace more representatives from special interest groups to join the cabinet. Jaruzelski said that with the progress in national understanding, the government will have new members after the round-table conference participated in by representatives of all special interest groups in mid-October.

Latin America & Caribbean

Reportage on NPC Delegation Latin America Tour

Departs Mexico 7 Oct

OW0810045188 Beijing XINHUA in English
0241 GMT 8 Oct 88

[Text] Mexico City, October 7 (XINHUA)—A delegation from China's National People's Congress, headed by its Standing Committee vice-chairman Banqen Erdini Qoigyi Gyancan, left here today en route to Bolivia.

Banqen told the press at the airport before his departure that the Mexican people are very friendly and hospitable, and that the delegation was impressed with the reception it received.

During their stay here, the Chinese paid a courtesy call on the president of the Mexican Senate, Emilio M. Gonzalez, met with former Senate president and current state governor of Morelos, Riva Palacio, and traveled to various historical and cultural sites.

The delegation arrived here October 3 on its way to Bolivia, Uruguay and Brazil.

Arrives in Bolivia 8 Oct

OW0810235088 Beijing XINHUA in English
1843 GMT 8 Oct 88

[Text] La Paz, October 8 (XINHUA)—A National People's Congress (NPC) delegation headed by Bainqen Lama Bainqen Erdini Qoigyi Gyaincain, vice president of the NPC Permanent Committee, arrived this morning for an official visit to Bolivia.

The Chinese delegation was welcomed at "El Alto" International Airport by Dr. Ciro Humboldt Barrero, president of the Bolivian Congress, and by Chinese Ambassador to Bolivia Chen Dongsheng.

The Bainqen Lama told reporters that the goal of his visit is to promote closer friendship and cooperation between China and Bolivia through "a series of interviews and conversations with state and parliament leaders and various visits."

He also took the opportunity to send a cordial greeting and the best wishes of the Chinese people to the people of Bolivia.

This is the first Chinese mission to visit Bolivia since the establishment of diplomatic relations between the two countries in 1985.

The delegates will remain in Bolivia until Thursday [13 October], and they will also visit the industrial city of Santa Cruz, 900 kilometers east of La Paz.

Bainqen's Activities Viewed

OW1110105688 Beijing XINHUA in English
0220 GMT 11 Oct 88

[Text] La Paz, October 10 (XINHUA)—Friendly cooperation between China and Bolivia has expanded since the establishment of diplomatic relations in 1985, a Chinese official told the Bolivian press.

Bainqen Erdini Qoigyi Gyaincain, vice chairman of China National People's Congress Standing Committee, was interviewed while on a visit to Lake Titicaca, 100 kilometers northwest of the Bolivian capital.

Accompanied by Bolivian Chamber of Deputies President H. Walter Soriano, senators and deputies, the vice chairman of the NPC Standing Committee sailed Sunday to the island of "Siriki" where he was received warmly by representatives of inhabitants who gave him a poncho and a staff representative of the authority of indigenous leaders.

The Chinese official expressed his gratitude to the Indian community, saying he wished them happiness and prosperity, and upon his return, he told the press that the development of friendship and cooperation between China and Bolivia promoted the basic interests of the two peoples and benefited world peace.

Bainqen arrived here Saturday on the first leg of a Latin America tour.

Meets Bolivian President

OW1110190188 Beijing XINHUA in English
1641 GMT 11 Oct 88

[Text] La Paz, October 11 (XINHUA)—Bolivian president, Victor Paz Estenssoro, while meeting with a Chinese delegation on Monday, said his government appreciated its good relations with China, and that he hoped they will become stronger.

The Chinese delegation of the National People's Congress (NPC) has been visiting Bolivia since October 8. The delegation is headed by vice president of the NPC Permanent Committee, Bainqen Erdini Goigy Gyaincain.

Apart from meeting the Bolivian president, the Chinese officials also met with Foreign Minister Guillermo Bedregal the same afternoon, and visited the mayor's office in La Paz Monday night. There, Bainqen was named "distinguished guest of the city of La Paz."

Later, the president of the Bolivian Senate, Ciro Humboldt, gave a reception in honor of the Chinese delegation. The affair was attended by the president of the Chamber of Deputies, the foreign minister, defense minister, Alfonso Revollo, and other high ranking government officials.

Mexico To Earn More From Sugar Exports to China
OW0910084188 Beijing XINHUA in English
0715 GMT 9 Oct 88

[Text] Mexico City, October 8 (XINHUA)—The increase in the international price of sugar will earn Mexico 18 million dollars more than the previously anticipated 60-million-dollars in sugar exports to China.

Government officials said here today that since April, the price of sugar has continued to rise on the international market. As a result, Mexico will reap an extra 30 percent profit from exporting 300,000 tons of sugar to China.

Mexico began making deliveries of sugar to China last May. The two sides agreed to fluctuate the price according to the price on the international market.

China's demand for 3.5 million tons of sugar from the world market has resulted in the increase in the international price, the officials said.

'Jotting' Views U.S.-Panama Cannon Incident

HK0810045488 Beijing RENMIN RIBAO
in Chinese 7 Oct 88 p 6

["Jotting" by Yan Zhong (1750 1813): "Why Cannon Is Passed for Butter"]

[Text] The Panama side returned a 120mm cannon, which had been seized for 24 hours, to the U.S. Armed Forces on 30 September. Thus ended what diplomats called a "grave incident" between Panama and the United States.

The fishy part of the story was that the cannon in question was placed in a container, destined for Panama from Miami, but had been declared as "general commodities," things regarded as butter and the like. The carrier had also done something dishonest by changing the place of delivery to Las Minas from Balboa, the registered destination. According to Panamanian law and the stipulations of the 1977 Panama-U.S. Treaty, it is illegal to import military supplies to Las Minas. The Panamanian Defense Forces therefore seized the "general commodities" imported by "abnormal" means, and claimed that they would investigate the incident.

When the incident came to light, the U.S. Army Southern Command asserted that the Panamanian Defense Forces had "illegally seized" a U.S. weapon, and launched a "protest," while ridiculing the Panamanians for their "poor knowledge in weaponry," and their belief that the cannon could be used to launch missiles.

Such a charge of "illegally seizing a U.S. weapon" is sheer absurdity, and their ridicules can only make them a laughingstock before the world. The fact that U.S. Armed Forces passed a cannon as "general commodities," and changed the place of delivery proves their dirty trick. Trying to gain the initiative by striking first is only an expression of the rage of a domineering overlord out of shame when the cat is out of the bag. In fact, the United States has stationed some 10,000 officers and men at its military bases in Panama, with numerous airplanes and cannons. It was no big deal that it dispatched one or two more weapons there. Now, the more the United States tries to hide, the more it is exposed.

Dominican Communist Delegation Visits Hebei
SK0710085988 Shijiazhuang HEBEI RIBAO
in Chinese 20 Sep 88 p 1

[Text] A delegation of the Communist Party of the Dominican Republic, headed by Secretary General (Condo), and with (Mateo) as a member, arrived in Shijiazhuang on the afternoon of 19 September for a 2-day visit to our province.

That evening, Lu Chuanzan, deputy secretary of the provincial party committee, cordially met with Secretary General (Condo) and his entourage at the reception hall of the provincial foreign affairs office. Lu Chuanzan briefed the Dominican guests on the achievements scored by the province since implementation of reform and opening up. He conveyed his hope that these Dominican comrades would understand, through the

visit, the achievements scored by the province in industrial production, as well as problems in this regard. Secretary General (Condo) said: "During my visit to China, I have caught sight of and have been deeply impressed by the enormous vitality brought to China by reform."

The Dominican Communist Party delegation arrived in China on 16 September upon the invitation of the International Liaison Department under the CPC Central Committee. During their stay in Shijiazhuang, the Dominican Communist comrades will visit some plants and rural areas to learn about the achievements scored by our province in economic construction over the past few years.

After the reception, Lu Chuanzan hosted a banquet in honor of (Condo) and his entourage.

CPC Central Committee Invites Opinions on Reform
OW1110184688 Beijing XINHUA in English
1713 GMT 11 Oct 88

[Text] Beijing, October 11 (XINHUA)—Zhao Ziyang today presided over a discussion called by the Chinese Communist Party (CPC) Central Committee to solicit opinions and suggestions from leaders of China's non-communist parties on some vital issues the country now faces.

The non-communist participants voiced their support for the decision of the Third Plenum of the 13th CPC Central Committee to improve the economic environment and rectify the economic order.

They expressed the conviction that so long as the decision is truly implemented, hope will be high for the success of China's reforms and construction.

The CPC Central Committee plenum helped dispel their worries about the country's economic situation, they declared.

They described the policy of improving the economic environment and rectifying the economic order and the measures to curb price hikes laid down at the third session as "right to the point" and conforming to the popular desire.

They also proposed ways of achieving the projected targets set by the plenum.

President Yang Shangkun of the People's Republic, National People Congress Standing Committee Chairman Wan Li and Communist Party leaders Hu Qili, Song Ping, Rui Xingwen, Yan Mingfu and Wen Jiabao attended the discussion at Zhongnanhai, the site of the headquarters of the CPC Central Committee.

Speaking at the discussion, Zhao Ziyang said that the CPC Central Committee will hold such discussions at irregular intervals every year to solicit criticisms and suggestions.

Zhao thanked the non-communists for their suggestions and opinions. It is up to the efforts of those present to implement the principles and policies laid down by the third plenum, in addition to the resolution and work of the CPC Central Committee, he said.

The CPC welcomes democratic parties to join in the endeavor to improve the economic environment and rectify the economic order, and in supervising over the fight by CPC and government organizations against corruption.

The CPC needs supervision from the people and the non-communist parties, he said, adding that the non-communist parties should play a still greater role in the making of decisions on major state affairs.

Besides, he said, steps will be taken to enable increasingly great numbers of non-communist party members and people without any party affiliation to participate in government work.

Speaking on education, Zhao Ziyang described proposals from the non-communist parties on the subject as far-sighted.

The destiny of China and its rise and fall will be determined by education, he said.

Science and technology will determine the development of the national economy, and it is up to people with expertise to develop science and technology.

But it is education that produces people with expertise, he said.

Zhao Ziyang Chairs Forum

OW1210125988 Beijing XINHUA Domestic Service
in Chinese 1645 GMT 11 Oct 88

[By reporter Li Shangzhi]

[Text] Beijing, 11 Oct (XINHUA)—The CPC Central Committee held a forum of non-CPC personages in the Huairan Hall at Zhongnanhai this morning. During the meeting, leaders of the CPC Central Committee had a frank and sincere dialogue on state affairs with leaders of democratic parties and nonparty patriots.

Some democratic party leaders said at the meeting: At present, the people call for improving the economic environment and economic order, deepening reform in an all-around way, and being strict with party members. The guidelines of the 3d Plenary Session of the 13th CPC Central Committee reflect the will of the people and reality. So long as we resolutely implement them, China's reform and construction are full of promise.

Zhao Ziyang, general secretary of the CPC Central Committee, said at the meeting: We should uphold and perfect the system of multiparty cooperation under the CPC's leadership and the system of political consultation, further carry forward the tradition of sharing weal and woe and helping each other between the CPC and the democratic parties and nonparty patriots, resolutely implement the principles, policies, and measures formulated by the 3d Plenary Session of the 13th CPC Central Committee, and attend to state affairs well together.

Before the forum began, Comrades Zhao Ziyang, Yang Shangkun, Wan Li, Hu Qili, Song Ping, Rui Xingwen, Yan Mingfu, and Wen Jiabao shook hands and exchanged greetings with the nearly 30 leaders of democratic parties and the All-China Federation of Industry and Commerce and nonparty patriots present at the meeting.

Zhao Ziyang presided over the forum. At the beginning of the meeting he said: The CPC Central Committee is holding this forum today to listen to your opinions and suggestions on state affairs. From now on, it will invite you democratic party leaders and nonparty patriots to unscheduled forums every year, so that we can talk with each other frankly and sincerely on anything and exchange views on state affairs without standing on ceremony.

Zhao Ziyang said: The recent 3d Plenary Session of the 13th CPC Central Committee specifically studied the questions of how to improve the economic environment and economic order, deepen reform in an all-around way, and be strict with party members. I hope that you will speak your mind freely and express your opinions and suggestions on the principles, policies, and measures formulated by the recent CPC session and on other questions.

After Zhao Ziyang spoke, many others expressed their views. They included Sun Qimeng, chairman of the Central Committee of the China Democratic National Construction Association; Wan Guoquan and Chen Suiheng, vice chairmen of the Central Committee of the China Democratic National Construction Association; Xu Caidong and Hao Yichun, vice chairmen of the Central Committee of the Jiu San Society; Zhou Gucheng, chairman of the Central Committee of the Chinese Peasants' and Workers' Democratic Party; Rong Yiren, chairman of the All-China Federation of Industry and Commerce; Zhu Xuefan, chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang; Fei Xiaotong, chairman of the Central Committee of the China Democratic League; Qian Jiaju, Tan Jiazhen, and Guan Mengjue, vice chairmen of the Central Committee of the China Democratic League; Lei Jieqiong, chairman of the Central Committee of the China Association for Promoting Democracy; and Chen Shunli, vice chairman of the Central Committee of the China Association for Promoting Democracy.

Some participants presented their parties' views on the guidelines of the 3d Plenary Session of the 13th CPC Central Committee. Recently, some parties have been holding their national congresses. Other parties have held meetings of their central Standing Committees. Still others have held special meetings to discuss the guidelines of the 3d Plenary Session of the 13th CPC Central Committee. They generally say that they had some misgivings and worries about our country's economic situation before, but that they have firmed their confidence and seen hopes since they were told about and discussed the guidelines of the 3d Plenary Session of the 13th CPC Central Committee.

Some participants said: In order to determine whether the principles, policies, and measures are correct, we should mainly see whether the emphasis of our work and our strategy is put on the right track. The 3d Plenary Session of the 13th CPC Central Committee decided

that the emphasis of reform and construction in the next 2 years should be specifically put on improving the economic environment and economic order. It also decided that the commodity price increase next year should be noticeably smaller than the increase this year, and some policies and measures have been formulated accordingly. These guidelines grasp the crux of the present problems and say what the people want to hear. Therefore, they conform to the wishes of the people. We can overcome the present difficulties so long as we resolutely implement these guidelines.

Some participants suggested that great attention be paid to two things in the course of implementing the guidelines of the 3d Plenary Session of the 13th CPC Central Committee. One is to rectify party style and administrative discipline, be strict with party members, resolutely overcome and correct certain corrupt phenomena of party and government organs, and make the leading cadres at all levels and CPC members play an exemplary leading role. The other is to resolutely adhere to the principle of building the two civilizations simultaneously and make great efforts to build socialist spiritual civilization while building socialist material civilization. Only in this way can we implement the principle of building socialism with Chinese characteristics. Some participants said in their speeches that recently we have not talked sufficiently or done much about the work of building socialist spiritual civilization, and that from now on we should improve the situation.

Some participants pointed out in their speeches: Our present economic situation is good. The problems that have emerged are problems accompanying our advance. On the one hand, we should take proper policy measures to bring about temporary solutions to these problems. On the other hand, it is even more important for us to get at the root of these problems. While all the measures to curtail capital construction projects are completely necessary, we should also strive to develop production and improve supply. It is necessary to step up the deepening of enterprise reform, raise the economic efficiency of enterprises, and improve the quality of their products.

Many participants urged party and government leaders at all levels to further understand the importance of education and regard education as a strategic task.

The participants also put forward many opinions and suggestions on other work of the state.

Zhao Ziyang spoke at the end of the meeting. He said: Your opinions and suggestions are very good and very important. The CPC Central Committee will seriously study them and your ideas will not be wasted.

He said: On the one hand, the implementation of the guidelines of the 3d Plenary Session of the 13th CPC Central Committee depends on the determination and work of the CPC Central Committee. On the other hand, it also depends on you. He said that he welcomes the

democratic parties' participation in the work of improving the economic environment and economic order and in the work of supervising the elimination and correction of the corrupt phenomena in party and government organs.

Zhao Ziyang said: How to uphold and perfect the system of multiparty cooperation under the CPC's leadership and the system of political consultation is a very important question in the reform of the political structure. The system of multiparty cooperation under the CPC's leadership and the system of political consultation conform to China's reality and are very superior. In the days to come, we should work harder to uphold and perfect these systems and give fuller play to their superiority. We should perfect and enrich them on the precondition that they are upheld. For instance, democratic parties may join us in conducting investigation and study when we formulate some important policies, so that democratic parties will have a greater part in deciding on state affairs. We should allow more democratic party personages and nonparty patriots to participate in government work. We should make democratic parties play an even better role in democratic supervision. Communists need the people's supervision; they also need supervision by democratic parties.

On education, Zhao Ziyang said: The party and the government have attached importance to educational work these past years, thanks to the suggestions and supervision by the comrades of democratic parties. The development of education is limited by economic conditions, but the main problem at present is that some leading cadres lack sufficient understanding of the importance of education. They must enhance their understanding. From a long-term point of view, China's destiny will to a great extent be determined by the state of its educational development. Economic development depends on science and technology, science and technology depend on qualified people, and qualified people are trained in the process of education. The fundamental question is how to improve the quality of the whole nation. Without improvement of the quality of the people, rejuvenation and development of the country are impossible. Natural resources need to be exploited, but the development of intellectual resources is even more important. Both improvement of the people's quality and development of intellectual resources are inseparable from education. The many opinions on education expressed by the comrades of democratic parties are farsighted.

Zhao Ziyang emphasized: The long practice of China's revolution and construction proves that the CPC and all democratic parties are sharing the same destiny as well as weal and woe. The achievements we have made in the past are inseparable from our cooperation with democratic parties. When the CPC had a hard time, democratic parties also suffered. So, we share honor and disgrace, we are in the same boat sailing in a storm. We should continue to carry forward the tradition of sharing weal and woe, riding in the same boat and helping each other, overcome all difficulties, and do the work of our country well together.

The leaders of democratic parties and the All-China Federation of Industry and Commerce and the nonparty patriots who attended the forum included Hou Jingru, Peng Qingyuan, Qian Weichang, Su Buqing, Gao Tian, Tao Dayong, Peng Dixian, Feng Zhijun, Lu Rongahu, Lin Shengzhong, Cheng Siyuan, and Gu Gengyu.

State Council Session Discusses Economic Issues
OW1210131488 Beijing XINHUA in English
1301 GMT 12 Oct 88

[Text] Beijing, October 12 (XINHUA)—Chinese Premier Li Peng has asked all government departments to take immediate action to implement the recent party decision to improve the economic environment and rectify economic order.

Li said at a full meeting of the State Council yesterday that in the drive to improve the economic environment and rectify the economic order, every department under the State Council shoulders great responsibilities and must fulfill its duties. The departments are expected to do a good job in carrying out and supervising the actual implementation of the measures related to the drive.

Now that the principle of improving the economic environment has been clarified and most of the measures worked out, the success of the drive lies in the implementation of these measures. Whether these steps will be well-implemented or not "depends on the attitude and actions of our leading organs," he said.

The State Council and all the departments under it, he pointed out, must take the lead and set an example in cutting down the scale of capital construction; reducing construction of office buildings, hotels, guesthouses and meeting halls, cleaning up companies, controlling consumer funds and keeping the government clean and honest.

"We ourselves must do what we ask our subordinates to do," he said.

In the process of improving the economic environment and rectifying the economic order, the State Council and its departments must change their work style and establish a strict responsibility system.

The State Planning Commission, Li went on, will be responsible for cutting down the scale of investment while the central banks will be responsible for controlling the issuing of credits and currency, the Ministry of Finance for controlling financial deficits and reducing social group purchasing power, and the Ministry of Materials for punishing government-backed companies speculating in the circulation of the means of production.

"If problems crop up, whoever will be responsible shall be held responsible. Nobody can shirk responsibility and the problems cannot be left unsettled," Li said.

Paper Cited on Reasons for People's Complaints
OW1010073888 Beijing XINHUA in English
0634 GMT 10 Oct 88

[Text] Beijing, October 10 (XINHUA)—Despite the fact that Chinese people are now enjoying a better life than before, many of them are complaining more too. But "this is something that is hard to avoid in the process of the reform," said today's "WORKER'S DAILY."

In a frontpage article, the paper noted that a decade ago, people were satisfied just to be able to feed and clothe themselves, such was the perilous state of the economy.

When everyone is living in poverty, there is less reason to complain. But now the person who lives on carrots and cabbage is likely to feel envious about the person who eats pork every day.

There are many things about which to complain, the paper noted: inflation, shortages, rationing, uneven distribution of wealth, corruption and excessive bureaucracy.

Competition for jobs and higher wages may be needed for the improvement of the economy. But, for those who lose out in the competition or who do not get higher wages, they are sources of grievance, the paper said.

People have to abandon old concepts and come to terms with new thinking, the paper said.

Though the ultimate goal of the reform is common prosperity, the paper said, the reform will lead to readjustments in distribution of interests and some people will get rich earlier than others, hence the complaints.

National CPPCC Holds Chairmanship Meeting
OW0810204388 Beijing XINHUA Domestic Service
in Chinese 1306 GMT 8 Oct 88

[By reporter He Ping]

[Text] Beijing, 8 Oct (XINHUA)—The CPPCC National Committee held its ninth chairmanship meeting this afternoon at Zhongnanhai. It was decided at the meeting that the Third Session of the Standing Committee of the Seventh CPPCC National Committee will be held in Beijing from 12 to 16 October.

The meeting was presided over by Li Xiannian, chairman of the CPPCC National Committee.

After the opening of the meeting, Zhou Shaozheng, secretary general of the CPPCC National Committee reported on the work in preparation for the third session of its Standing Committee.

After study, the meeting decided that the agenda of this Standing Committee session should include the following main tasks: holding consultations and discussions on

the question of implementing the guidelines of the 3d Plenary Session of the 13th CPC Central Committee; approving personnel appointments; and hearing reports by the delegation of the CPPCC National Committee on its overseas visit and on its inspection tours to other places in our country.

President Li Xiannian addressed the meeting. He hoped that the members will maintain unity with the party Central Committee and, at the same time, feel free to express their opinions and speak out what they want to say so as to develop democracy in the course of their consultations and discussions on how to implement the guidelines of the 3d Plenary Session of the 13th CPC Central Committee.

The meeting discussed and adopted in principle the Main Points of the Work of the Seventh CPPCC National Committee (draft). It was decided that this document will be submitted to the Third Session of the Standing Committee of the Seventh CPPCC National Committee for discussion and approval.

Also attending the meeting were the following vice chairmen of the CPPCC National Committee: Wang Renzhong, Fang Yi, Gu Mu, Yang Jingren, Kang Keqing, Qu Wu, Ma Wenrui, Qian Xuesen, Qian Weichang, Hu Sheng, Sun Xiaocun, Cheng Siyuan, Qian Zhengying, and Ismail Amat.

New State Academic Degree Committee Formed
OW0910025288 Beijing XINHUA Domestic Service
in Chinese 1519 GMT 7 Oct 88

[Text] Beijing, 7 Oct (XINHUA)—With the State Council's approval, a new term of the National Academic Degree Committee was recently formed under the State Council. He Dongchang is the chairman and Zhang Guangdou, Hu Sheng, Zhou Guangzhao, and Zhu Kaixuan are the vice chairmen.

The new members are (listed in the order of the number of strokes in their surnames): Ding Shisun, Gan Fuxi [1626 4395 3588], Ma Zhuguang [7456 4371 0342], Wang Shuwen, Fang Fukang, Lu Yonggen [4151 3057 2704], Shi Meixin, Shi Weixiang, Feng Kang, Zhu Guangya, Zhu Dexi, Ren Xinmin, Liu Guoguang, Ru Xin, Qu Qinyue, Li Wei [2621 2607], Li Xueqin [2621 1331 0530], Li Guohao, Wu Benxia [0702 2609 0633], Wu Jieping, He Kang, Zhang Wenqi [1728 2429 1142], Chen Minzhang, Ji Xianlin, Zou Chenglu [6760 2110 7627], Zhao Pengda [6392 7720 1129], Han Huaizhi, Gao Jingde, Guo Shuyan, Tang Aoqing, Tu Guangchi, Huang Da, Huang Weiyuan, Yan Longfei [7051 7893 7378], Kang Zhenhuang [1660 2182 7806], Zeng Peiyan, Xie Xide, Lu Yongxiang, Pan Jiluan [3382 7139 7019], Pan Jiazheng [3382 1367 6927], and Dai Chuanzeng. Zhu Kaixuan is concurrently the secretary general.

The main tasks of the National Academic Degree Committee under the State Council are to be in charge of the implementation of the "Regulations of the People's Republic of China Governing Academic Degrees," examine and approve the power for awarding academic degrees, and make quality checks and exercise supervision over the granting of academic degrees.

Provisional Tax Regulations on Land Use Issued
OW0810033988 Beijing XINHUA Domestic Service
in Chinese 1229 GMT 4 Oct 88

[Text] Beijing, 4 Oct (XINHUA)—Provisional Regulations of the People's Republic of China on Land Use Tax in Urban Areas

Article 1: These regulations are formulated for the purpose of utilizing urban land rationally, regulating the income differentials earned on different grades of land, improving the benefits from the use of land, and strengthening land management.

Article 2: Units and individuals using land in cities, county towns, organic towns [jian zhi zhen 1696 0455 6966], and industrial and mining areas are obligatory taxpayers (hereinafter referred to as taxpayers) for the tax on the use of land in urban areas (hereinafter referred to as land use tax). They shall pay the land use tax in accordance with the provisions of these regulations.

Article 3: The land use tax shall be assessed on the basis of the area of land actually used by the taxpayer and according to the stipulated tax amount.

Arrangements for the work of measuring the used land area referred to in the preceding paragraph shall be decided by the provincial, regional, or municipal people's government in light of the actual situation.

Article 4: The annual amount of land use tax per square meter is as follows:

1. Fifty cents to 10 yuan in big cities;
2. Forty cents to 8 yuan in medium cities;
3. Thirty cents to 6 yuan in small cities; and
4. Twenty cents to 4 yuan in county towns, organic towns, and industrial and mining areas.

Article 5: Within the ranges specified in the preceding article, provincial, regional, and municipal people's governments shall decide on the ranges of the tax amounts applicable to the various areas under their jurisdiction according to the state of urban construction, economic prosperity, and other conditions.

City and county people's governments shall classify their land into different grades according to the actual conditions and set up applicable standards for the tax amounts

within the tax ranges established by the provincial, regional, or municipal people's government concerned. Such standards shall be approved by the provincial, regional, or municipal people's government before they are put into effect.

With the approval of the provincial, regional, or municipal people's government, the standard for the amount of the land use tax may be reduced appropriately in economically backward areas. However, such reduction shall not exceed 30 percent of the minimum tax amount specified in Article 4 of these regulations. The standard for the amount of the land use tax applied to economically developed areas may be raised appropriately, but such increase in the tax amount shall be reported to the Ministry of Finance for approval.

Article 6: The following categories of land are exempt from the land use tax:

1. Land used by state organs, people's organizations, and the Armed Forces;
2. Land used by units with operating expenses appropriated from state financial departments;
3. Land used by temples and parks and the land of famous scenic spots and historical sites;
4. Public land used for urban streets and squares and for flower, tree, and lawn areas;
5. Land used directly for agricultural, forestry, animal husbandry, and fishery production;
6. Land reclaimed by approved mountain-cutting or sea-filling projects and transformed wasteland areas exempt from the land use tax for 5 to 10 years from the month they are put to use; and
7. Land used for energy, transportation, and water conservancy projects and for other purposes that are exempt from the land use tax as stipulated in other regulations of the Ministry of Finance.

Article 7: In addition to the cases specified in Article 6, if the taxpayer has real difficulty paying the land use tax and requires a reduction or the exemption of the tax, the case shall first be examined and approved by the provincial, regional, and municipal taxation organ, which shall then submit a request to the State Taxation Bureau for approval.

Article 8: The land use tax is assessed on an annual basis and paid in installments. The deadline for paying each installment shall be decided by provincial, regional, and municipal people's governments.

Article 9: The land use tax on newly requisitioned land shall be paid according to the following provisions:

1. Payment of the land use tax on requisitioned farmland shall begin 1 year after the date of approval of requisition;

2. Payment of the land use tax on requisitioned nonfarm land shall begin the next month following the approval of requisition.

Article 10: The land use tax shall be levied by the local taxation organ. The land administrative organ shall provide materials on the right to use the land to the taxation organ of the place where the land is located.

Article 11: The land use tax shall be levied and managed in accordance with the provisions of the "Provisional Regulations of the People's Republic of China on Tax Levy and Management."

Article 12: The land use tax receipts shall be included in the financial budget.

Article 13: The Ministry of Finance shall be responsible for the interpretation of these regulations. Measures for the implementation of these regulations shall be worked out by provincial, regional, and municipal people's governments and reported to the Ministry of Finance for the record.

Article 14: These regulations shall go into effect on 1 November 1988, at which time the measures on the land use fee enacted by various localities shall no longer be implemented.

Procuratorates To Assist Economic Inspections
OW1010000888 Beijing XINHUA Domestic Service
in Chinese 0314 GMT 9 Oct 88

[Text] Beijing, 9 Oct (XINHUA)—The Supreme People's Procuratorate has urged People's Procuratorates at all levels to take positive steps to coordinate with the general taxation, financial, price, and credit inspections for 1988.

In a recent circular distributed to all provincial, regional, and municipal People's Procuratorates, the Supreme People's Procuratorate said: Conducting the general taxation, financial, price, and credit inspections is an important measure in improving the economic environment, rectifying the economic order, and deepening the reforms in an all-round way by following the guidelines set at the Central Work Conference and the 3d Plenary Session of the 13th CPC Central Committee. The People's Procuratorates at all levels are requested to keep in close contact and work in coordination with the local departments concerned, including the offices established for these inspections. They should fully display their role of legal supervision with a view toward ensuring the smooth progress of the inspections.

The circular stated: In line with the scope and focal points of the general taxation, financial, price, and credit inspections, the People's Procuratorates at all levels

should make positive efforts to investigate and deal with embezzlement, bribery, misuse of public funds, tax evasion, refusal to pay taxes, speculation, profiteering, blackmail, swindling, abuse of official power, dereliction of duty, and other criminal cases discovered through the inspections. In particular, firm efforts should be made to investigate and deal with cases of "official profiteering." As for illegal operations, profit speculation, smuggling, illegal acquisition of foreign exchange, blackmail, swindling, and other activities carried out by government offices, public groups, enterprises, and institutions that breach the criminal code and constitute crimes, the leaders directly responsible for such activities and other persons concerned should be prosecuted for their criminal liabilities.

The Supreme People's Procuratorate urged the People's Procuratorates at all levels to give full play to the role of problem-reporting centers. With regard to the problems revealed by the masses and their need to be investigated in the general taxation, financial, price, and credit inspections, the People's Procuratorates concerned should promptly communicate with the offices in charge of these inspections. When a clue to a major economic criminal case is discovered, the leading comrade concerned should give personal attention to the investigation and treatment of the case and let the masses know the results in good time.

In addition, the Supreme People's Procuratorate asked the procuratorates at all levels to conduct serious self-inspections and accept inspections by others. They should strictly deal with the problems of violations of discipline revealed by such inspections.

Law To Reform Lawyer System Being Drafted
OW0910132888 Beijing XINHUA in English
0808 GMT 9 Oct 88

[Text] Beijing, October 9 (XINHUA)—China is drafting a lawyer law to meet the needs for the reform of its lawyer system, according to the latest issue of the OUT-LOOK weekly.

The draft law will specify lawyers' obligations and rights, and general principles governing their activities. It will also stipulate measures to protect lawyers and to penalize violators of their legitimate rights.

The weekly praised China's 27,000 lawyers for upholding laws, protecting the citizens' lawful rights and interests, and improving the country's socialist democracy and legal system in the past decade.

Commentator on Fighting Official Profiteering
HK1210074788 Beijing RENMIN RIBAO in Chinese
5 Oct 88 p 1

[Commentator's article: "Courage Is Needed To Deal With 'Officially Committed Speculation'"]

[Text] People will certainly be indignant after reading the report from Hunan. It is not too much to describe the profiteering activities of smuggling and reselling

imported cars as "rampant." You can see how the people engaged in these activities were flagrantly unscrupulous and the serious harm they did to society! Their activities not only seriously disrupted the economic order but also caused very bad political consequences. How can we not take effective measures to stop such activities and punish those involved?!

The masses have deeply resented "official profiteering" for a long time, and public opinion has also criticized such phenomenon. However, some "official speculators" still feel reassured and emboldened and do not want to restrain themselves.

Some people may say it is difficult to clearly define "official profiteering," so the criticism of "official profiteering" may be too general.

In fact, if we squarely face the facts rather than talk in generalities, it is not hard to distinguish normal transactions from "official profiteering" which must be checked. Is there anything of vague character in the cases listed in the report? Is there anything controversial in those activities? Of course, the standards and systems for commercial activities in the socialist commodity economy have yet to be perfected, but this does not mean that we may now mete out less severe punishment to people who are engaged in illicit trade.

Now, we must have the determination and courage to deal with and curb "official profiteering."

It is hard to investigate "official profiteering" cases, because people and institutions involved in such activities often have "authoritative signboards" and "influential and powerful backstage supporters." It seems that if you touch them you could be faced with imminent disaster. In fact, this is precisely their weak point. Those who have "authoritative signboards" and "influential and powerful backstage supporters" should all the more take the lead in abiding by the laws. If their illegal activities are linked with their "signboards" and "official positions," they will become more scared. This point should be realized.

Moreover, profiteering activities under some official "signboards" are not necessarily decided and approved by the leaders and official institutions concerned. It is possible that those engaged in these activities just try to protect themselves with sham authorization. By exposing them we will help the institutions concerned ferret out and purge the corrupt and degenerate personnel. This point should also be realized.

At present, the central leadership has made the policy decision on rectifying the economic order, and the general public is a reliable force. As long as the departments concerned can be courageous in dealing with cases of illegal profiteering and investigate the networks involved in such activities, they will certainly be able to

find the "official profiteers" guilty and mete out punishments to them according to the laws, no matter how perverse and powerful they are.

Car Smugglers Under Investigation
OW1110095488 Beijing XINHUA in English
0649 GMT 11 Oct 88

[Text] Beijing, October 11 (XINHUA)—A special work team is on its way to investigate a car smuggling racket crossing provincial boundaries and involving the police, the military and post offices in the provinces of Hunan, Henan and Liaoning, according to today's "PEOPLE'S DAILY."

The team is composed of members from the Discipline Inspection Commission of the Central Military Commission, the Ministries of Public Security, Supervision, and Materials and Equipment, and State Administrations for Industry and Commerce and Customs, added the paper.

The central authorities consider the case a serious one, said the paper, adding that all those found guilty will face stern legal or disciplinary punishment.

The case was first revealed by the "PEOPLE'S DAILY" October 5.

Trucks belonging to the police, the military and post offices were reportedly used to transport cars through checkpoints of provincial industry and commerce bureaus for illegal sale.

After the exposure by the paper, relevant State Council departments checked the report and concluded that the expose was well-founded.

Measures Against Corruption, Bribery Discussed
HK0910034688 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 40 3 Oct 88 p 1

["Letter From Beijing" by Bao Xin (7637 0207): "China Is Working Out Measures To Punish Corruption and Bribery"]

[Text] Dear Brother,

The work conference of the CPC Central Committee explicitly pointed out that improving the economic environment and rectifying the economic order will be the focus of reform and construction in the next 2 years. However, the work started this year. Not long ago, the State Council held a routine meeting to discuss measures adopted to punish corruption, bribery, and the practices of wasting state property. It was actually a specific measure and action taken to improve the economic environment and rectify the economic order.

In recent years, the majority of the working personnel of the state's administrative organs have performed their duties honestly. However, there are also a number of

people who have abused their powers for personal gain. The number of corruption and bribery cases has increased, constituting one of the prominent manifestations of current economic crime. According to the statistics of Guangdong Province, from January 1982 to January 1987, corruption and bribery cases accounted for 59 percent of the 16,000 economic criminal cases filed for investigation and prosecution throughout the province. These malpractices have disrupted the smooth progress of construction, reform, and opening up, encroached upon the interests of the state and the collectives, and impaired the prestige and image of the state organs among the people. There are now explicit regulations for meting out punishment against corruption and bribery involving over 2,000 yuan which constitute a crime. However, there are no regulations for meting out punishment against corruption and bribery involving less than 2,000 yuan which does not constitute a crime. This is disadvantageous to the strengthening of the legal system and the enforcement of government discipline. To effectively punish the practices of corruption and bribery, exercise supervision over and ensure that the state organs and functionaries will perform their duties honestly, and guarantee the smooth progress of construction, reform, and opening up, it is absolutely necessary to first adopt regulations for punishing corruption, bribery, and the practices of wasting state property since the conditions for enacting laws against corruption, bribery, and extravagance are not yet ripe. This constitutes a component part of the work on improving the economic environment and rectifying the economic order.

There are 24 articles in the "(Draft) Provisional Regulations for Punishing State Administrative Personnel Involved in Corruption and Bribery" drafted by the Ministry of Supervision. The draft regulations stipulate that state administrative personnel who take advantage of their posts to embezzle public property, misappropriate public funds, and offer and accept bribes will be punished according to these regulations. The punishment includes warning, recording a demerit, recording a serious mistake, demotion, removal from office, discharge from posts but continuing employment, keeping under observation, and discharge from employment. The practices of those which constitute a crime should be dealt with according to law.

While discussing the question of commission and charges in the provisional regulations, the leader of the State Council said that the state administrative personnel should not set a precedent in accepting commission under lawful excuses. The public servant system promulgated in the future will stipulate in explicit terms that public servants may not accept commission. It is their duty to introduce businesses to enterprises and help them make a deal. Hence, the "Provisional Regulations" stipulate that state functionaries are not allowed to accept commission. The draft regulations will be promulgated again for implementation when they are revised, deliberated, and adopted by the State Council.

Regarding the "(Draft) Provisional Regulations for Punishing the Practices of Wasting State Property," the

participants also held serious discussions. The draft laid down specific stipulations against extravagance which do not constitute a crime or which are exempted from criminal punishment. Regarding waste which is a common phenomenon and which has caused great harm, the draft has laid down five stipulations in light of the economic loss caused. For example, those who violate the prescribed procedures or abuse their powers to blindly make investment in fixed assets, waste state property and cause a serious economic loss, should be punished; and those blindly importing foreign equipment which cannot attain the anticipated economic results, waste property and cause a serious economic loss, should also be punished. The draft has also laid down specific stipulations on meting out punishment against those who violate production and operation rules resulting in the inferior quality of a project and a waste of property, those who neglect their duty resulting in a loss and damage to commodities and other property, those who violate production rules and turn out inferior products resulting in doing the poorly done work over again and a waste of property, and those who go in for extravagance and waste in violation of the state's financial regulations.

During the discussions, the participants also raised many questions on defining the term "waste." In meting out punishment against waste, the conference held that the problems involving waste should not all be included in one specific regulation. Specific regulations against waste can be adopted in capital construction, extravagance, and enterprise management. At present we can at least adopt specific regulations against waste in group purchases, capital construction, and the building of offices, guesthouses, and halls.

Viewed from the recent situation, it has been difficult to curb and check the serious malpractices of corruption, bribery, and wasting state property because there is no clear line of demarcation between legal and illegal practices and between guilt and innocence. A number of state organs, units, and cadres regard it as an honor to abuse their powers for personal gain, take and offer bribes, line their pockets with public funds, and spend state money without restraint under lawful excuses. With the regulations for punishing corruption, bribery, and practices of wasting state property promulgated in the near future, we will then have laws to follow. Consequently, the economic environment and economic order for China's reform and opening up will gradually be improved and rectified. [Signed] Bao Xin [Dated] 26 September

Citizens Reporting Cases of Officials' Corruption
HK1110120888 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 40 3 Oct 88 pp 3-4

[Article by Chen Yan [7115 7159]: "People on the Mainland Report, Turn in Cases of Corrupt Officials"]

[Text] The Supreme People Procuratorate announced its telephone hotline against corruption in June this year. Subsequently, the Ministry of Supervision announced its

telephone hotline against corruption in August. Reports say these two hotlines have been in constant operation since their commencement. The Supreme People's Procuratorate received and handled 3,001 cases in less than a month whereas the Ministry of Supervision received 573 reports over the hotline within 13 days, averaging 44 telephone calls per day. Now some 880 procuratorial organs throughout the country have set up offices against corruption or telephone hotlines against corruption.

The Masses Find it Easy To "File Complaints" and Judicial Organs Have Ways To Trace [subhead]

While announcing their telephone hotlines against corruption, the Ministry of Supervision and the Supreme People's Procuratorate stressed that the key task of the centers against corruption is to handle corruption, bribery, power abuse, extortion of money, as well as violations of law and discipline. Thus it can be seen that the purpose of installing the "telephone hotlines" is to "encourage sincerity in performing official duties and to eliminate corruption."

In China corruption refers to government functionaries taking advantage of their positions in illegal pursuit of materials and other interests. There are two situations: One is government functionaries taking advantage of their positions to directly embezzle or take illegal possession of the public property under their care; the other is government functionaries taking advantage of their positions to seek gain for others and, after this being done, to obtain benefit from the relevant people. According to Articles 155 and 185 of the "PRC Criminal Law," these two crimes are "corruption" and "taking bribes," respectively.

Corruption and taking bribes are closely connected with the positions and powers of the perpetrators, therefore these two crimes are very complicated and deeply concealed. It is not easy to discover the crimes committed by these two types of perpetrators, nor is it easy to collect evidence for their crimes. It is precisely these special characteristics that determine the necessity to encourage the masses to report corruption. The purpose of installing telephone hotlines and setting up centers against corruption is to make it easy for the masses to report corruption and for judicial organs to trace violations of law. In the past, the masses did not know which department to go to for their "complaints" if they discovered that some leading cadres were involved in corruption or bribery, and judicial organs also found it difficult to promptly investigate corruption and bribery cases. With telephone hotlines, the masses find it easy to "file complaints" and judicial organs can promptly investigate "corruption and bribery." As procuratorial departments disclosed, many major crimes of corruption and bribery were discovered with the help of the masses' reports over such telephone hotlines.

Following the profound development of reform and opening up to the world as well as the constant development of the socialist commodity economy, in the course of transformation from the old structure to a new one, it is inevitable for some loopholes to appear in the management field. It is inevitable for some lawbreakers to carry out economic criminal activities, including corruption and bribery. As reported, corruption cases account for a large percentage of economic crimes. In 1986 procuratorial organs throughout the country investigated and handled 49,657 economic crimes, of which 39,659 were corruption and bribery cases, accounting for 79.9 percent of the total. Major corruption and bribery cases made up a large proportion. Of the above cases, 70 percent took place in financial, grain, commercial, construction, foreign trade, as well as supply and marketing departments and their subordinate organizations. Most of the criminals were government functionaries, and some were high-level responsible cadres.

Some Major Cases Have Been Discovered and Will Soon Be Tried [subhead]

The setting up of these telephone hotlines and centers against corruption evoked strong repercussions among the masses in China. The Ministry of Supervision received 83 telephone calls on the first day the hotline was put into operation, and the situation in procuratorial organs was more or less the same. The Jiangxi provincial procuratorate held a news briefing on the morning of 15 July announcing the establishment of its center against corruption. On the afternoon of the same day 47 people came to the center to report corruption. The Kunming City procuratorate's center against corruption received 66 reports provided by the masses on the first day of its commencement. Procuratorate organs at all levels throughout the country received 12,493 reports against corruption by 31 August this year. Among those exposed, some were high-ranking cadres or personnel of judicial departments. For example, cases reported to the Supreme People's Procuratorate involved 1 leader at the vice ministerial level, 6 cadres at the sectional or bureau level, 15 party committee secretaries, and 14 judicial personnel.

Some criminals gave themselves up to organs against corruption not long after their establishment throughout the country. The Nanning City procuratorate of Guangxi announced the establishment of its center against corruption on 23 July. On 30 July a criminal who had been at large carrying public money embezzled by him surrendered himself to the center, admitted his crimes, and returned some of the embezzled money. On the second day after the Chengdu City procuratorate's center against corruption was set up, an accountant of a branch affiliated with the city industrial and commercial bank went to the center and admitted that she had embezzled 11,000 yuan, and returned all the money embezzled. So far there have been 23 such cases throughout the country.

Handling corruption cases reported by the masses has become an important task of procuratorial organs at all levels. As reported, the first thing leaders of the Supreme People's Procuratorate do on their arrival in office is listen to reports on cases of corruption raised by the masses. By 31 August procuratorial organs at all levels throughout the country investigated 355 corruption cases reported by the masses during July and August. After investigation these organs cracked a number of major corruption cases, recovering an economic loss totaling 10.71 million yuan and HK\$120,000. The Linfen City procuratorate's center against corruption has investigated and handled 22 economic cases since it was set up in June this year, thus recovering embezzled money totaling 448,400 yuan. Offices against corruption set up by procuratorial organs in Shanghai have for the last 2 months cracked 70 corruption cases and arrested 89 criminals involved therein. Upon receipt of a report by a civilian, the Wuxi City procuratorial department promptly investigated and cracked a major embezzlement case involving over 500,000 yuan. The Supreme People's Procuratorate not long ago decided to handle 24 major cases reported by the masses throughout the country, and sent 6 groups composed of 12 people to 8 provinces and cities to handle 14 of the 24 cases. A responsible person said that the investigation of some of the cases is almost completed and that lawsuits will soon be lodged.

Efforts Are Being Made To Legalize Reports Against Corruption [subhead]

Marked achievements have been made in investigating and handling corruption cases since the setting up of telephone hot lines and centers against corruption. But problems have also cropped up, such as how to protect the safety and interests of the accusers, how to encourage civilians to report corruption, how to handle wrongly-accused or framed cases, and whether China should follow some foreign countries and form bureaus against corruption or set up an independent commission against corruption as Hong Kong has done. These problems will be resolved in the course of work. Systematizing and legalizing reports against corruption is the common wish of the public, and judicial personnel as well as target procuratorial organs will strive to achieve results. Organs against corruption in many parts of the country have formulated detailed stipulations, including providing good reception for those who come to report corruption, protecting the security of the accusers, putting on file all reports against corruption, and promptly informing the accusers of investigation and handling results. To encourage the masses, particularly those who know the inside stories well, to report corruption cases, organs against corruption in some localities give them rewards. These rewards fall into three categories: First, cash rewards; second, shortening the prison terms of those in prison who report others' corruption; and third, providing lenient treatment for criminals who surrender themselves to the relevant authorities. Reports said that someone in Beijing was rewarded 1,000 yuan for reporting a major corruption case.

For the purpose of standardizing and systematizing reports against corruption, the Supreme People's Procuratorate is drawing up "regulations for people's procuratorates to handle reports against corruption," which will stipulate in detail the main tasks in handling reports against corruption, the scope and procedures for handling corruption cases, methods of punishment and reward, how to protect the security of the accuser, and how to handle frame-ups.

Local Authorities Blamed for Tolerating Corruption *OW0810043788 Beijing XINHUA in English* 0238 GMT 8 Oct 88

[Text] Beijing, October 8 (XINHUA)—Some local authorities are criticized by the "PEOPLE'S DAILY" today for giving tacit support to illegal profiteering by corrupt officials.

The paper quoted an example of a raw material supplier in Bengbu City in Anhui Province that bought 41 imported cars from Guangdong and resold them for a profit of almost 400,000 yuan.

Yet, some high-level government officials prevented an investigation into the racket, the paper said. In fact, the company was actually given permission to continue with this business.

The State Industry and Commerce Bureau estimates that government departments in at least 28 cities and provinces were involved in 30 "serious" cases of illegal profiteering in the first half of this year.

Officials, Villagers Stealing Steel From State *OW1010112688 Beijing XINHUA in English* 0906 GMT 10 Oct 88

[Text] Beijing, October 10 (XINHUA)—A growing number of officials and villagers appear to be mistaking the government's flexible approach to encouraging its people to become prosperous for a signal to build up their savings by stealing, according to today's "PEOPLE'S DAILY."

The paper cited an example from central China's Jiangxi Province to back up its claim.

In the province, many villagers, and even some local officials, have become "wanyuanhu" (literally, "ten-thousand yuan holders") from stealing and re-selling masses of material from two local iron and steel plants, the paper charged.

According to statistics from the Jiangxi Provincial Metallurgical Bureau, more than 2,000 tons of iron and steel a year are stolen from the Jiangxi Steel Plant and the Xinyun Iron and Steel Works, causing a loss of 1.5 million yuan.

The stolen materials are then sold by the thieves as waste materials to 58 local purchasing stations, 70 percent of which were set up in 1987. Some of the purchasing stations are owned by local party and governmental organizations, the paper alleged.

The stolen materials are also being re-sold as raw materials for the casting shops of two local manganese-steel shops, each with an annual output of 1,000 tons.

The shops that have been cashing in on buying the stolen steel at cut-rate prices are owned by eight townships located in the surrounding area of the two victimized plants, the paper added.

Coal Enterprises Warned of 'Profiteers'
OW0810195488 Beijing XINHUA in English
1616 GMT 8 Oct 88

[Text] Beijing, October 8 (XINHUA)—The president of the China National Coal Corporation today called on heads of the country's associated coal enterprises to "take strict precautions against official and individual profiteers."

Yu Hongen made the remarks during a three-day conference aimed at working out ways to implement the central government's instructions "to put an end to confusion existing in economic activities, especially in the sphere of circulation."

Yu said that profiteers have taken advantage of a shortage in coal supplies since the beginning of the year and have made huge profits by selling coal at double the market price.

"Instead of benefitting from the higher prices, coal production and development have been greatly affected because coal buyers have shifted the extra cost to the consumer," Yu said.

Therefore, he noted, "It is very correct for the central government to make a decision at this critical time."

In order to rapidly implement the government's decision, the corporation has drawn up ten measures, including examination of projects under construction, scaling back overextended capital construction and closely monitoring private and group expenditures on day-to-day commodities.

Turning to the readjustment of companies, Yu said that those that are allowed to do business in the sphere of circulation should keep up with their orders and charge a reasonable price.

"Actions such as hoarding and cornering the market or rampantly raising prices are forbidden," he declared.

He said no cadres, including those who have retired, are allowed to use their power to make profits for themselves.

In his speech, Yu also mentioned that the winter season is coming and coal will be in high demand. He asked all coal mines to do their best to fulfil their annual targets and try to increase their output in order to better serve the needs of the people.

Li Peng at Fixed Assets Review Group Meeting
OW0710184688 Beijing XINHUA Domestic Service
in Chinese 1421 GMT 6 Oct 88

[By reporter Wu Shishen]

[Text] Beijing, 6 Oct (XINHUA)—This reporter has learned today that a leading group for reassessing investment in fixed-assets projects has been formed, and Premier Li Peng presided over the group's first meeting on 27 September.

The meeting reassessed projects currently under construction and studied ways to control the scale of and cut back on society's investment in fixed assets during the next year. The meeting also heard a report by a work group of the State Council which has conducted a review of office buildings, auditoriums, and guesthouses projects in Beidaihe and Xingcheng. Projects that have been suspended or halted in Beidaihe and Xingcheng accounted for, in term of floor space, 61.1 percent of such projects under construction. Projects that have been allowed to continue are those that are properly funded and 70 percent or more complete. Premier Li Peng suggested that all other cities earnestly conduct a review similar to the one that has been done in Beidaihe and Xingcheng and implement this work in a down-to-earth manner.

It is learned that the leading group for reassessing investment in fixed-assets projects is composed of officials of the General Office of the State Council, the State Planning Commission, the People's Bank of China, the Ministry of Finance, the Auditing Administration, the Ministry of Supervision, the State Statistics Bureau, and other relevant departments. It has an office at the State Planning Commission to conduct specific work and to accept reports from all quarters. Its telephone numbers are 8091726 and 8091731.

Leaders Attend First Peasants' Athletic Games

Tian Jiyun Stresses Sports Ethics
OW0810041888 Beijing XINHUA Domestic Service
in Chinese 1418 GMT 7 Oct 88

[Text] Beijing, 7 Oct (XINHUA)—Tian Jiyun, chairman of the presidium of the First National Peasants' Athletic Games, pointed out today that athletes should attach great importance to sports ethics.

The presidium of the First National Peasants' Athletic Games met in the Great Hall of the People today. Tian Jiyun said at the presidium meeting: The peasants' athletic games should display the spirit of the recent Central Work Conference and the 3d Plenary Session of the 13th CPC Central Committee. All sports delegations should educate their athletes to attach great importance to sports ethics, pay attention to spiritual civilization and strictly observe discipline. These are the criteria for assessing the political and ideological level of a delegation.

Tian Jiyun was worried about any possible fraud. He called on all sports delegations to be honest in everything and set a good example for the people throughout the country to follow. He regarded it as a bad practice to temporarily change an urban athlete's registered residence to rural area just for the competition and to change it back to an urban residence after the athletic games.

Wang Renzhong, vice chairman of the presidium, also pointed out at the presidium meeting: Fraud in the past has had very bad effects. To win first place by cheating is a disgrace, not an honor.

Huang Chao, secretary general of the presidium, briefed the presidium meeting on the work arrangements of the First National Peasants' Athletic Games. After deliberation, the meeting approved the work arrangements. At the presidium meeting, Huang Chao read a letter from a Beijing resident to the Organizing Committee of the Peasants' Athletic Games. The writer of the letter hopes that the peasants' athletic games will sternly deal with cheaters, just as the Olympic Games did with Ben Johnson, a sprinter who used drugs.

Chen Xitong, chairman of the Organizing Committee of the First National Peasants' Athletic Games, said: The problem pointed out in the letter merits our attention. We should see to it that fraud is corrected, if discovered.

Present at the meeting were Wang Zhen, honorary chairman of the presidium; and Li Tieying and Xiao Peng, vice chairmen of the presidium.

Yang Shangkun, Others at Opening
OW1010092788 Beijing XINHUA Domestic Service
in Chinese 1424 GMT 9 Oct 88

[By reporters Wang Junpu and Wang Yuelong]

[Excerpts] Beijing, 9 Oct (XINHUA)—The first Chinese peasants' national athletic games, the First National Peasants' Athletic Games, opened ceremoniously in Beijing today.

Leading comrades including Yang Shangkun, Li Peng, Wan Li, Wang Zhen, Tian Jiyun, Li Tieying, Li Ximing, Xi Zhongxun, Peng Chong, Chen Xitong, Wang Renzhong, and Kang Keqing attended the opening ceremony. [passage omitted]

Tian Jiyun spoke at the opening ceremony.

Opening Address by Tian Jiyun
OW1210044688 Beijing XINHUA Domestic Service
in Chinese 1432 GMT 9 Oct 88

[Opening address to the First National Peasants' Athletic Games—by Tian Jiyun, chairman of the presidium of the First National Peasants' Athletic Games of the PRC, member of the Political Bureau of the CPC Central Committee, and vice premier of the State Council]

[Text] Beijing, 9 Oct (XINHUA)—Comrades and friends: The First National Peasants' Athletic Games has opened now. On behalf of the CPC Central Committee and the State Council, I would like to extend my warm greetings to the sports meet, all the athletes, coaches, referees, and other functionaries and, through this sports meet, to the 800 million peasants across the country.

The First National Peasants' Athletic Games is the first sports meet for the peasants since the founding of the republic. This meet reflects the excellent situation of rural reform, construction, and prosperity since the 3d Plenary Session of the 11th CPC Central Committee. It also shows that the party and government attach importance to developing sports in the rural areas and improving the peasants' physique. It is hoped that all of us will pool our efforts to make this meet a success.

The 800 million peasants need sports and sports need the participation of the vast number of peasants. Active participation by the vast number of peasants will greatly raise our country's sports levels. Extensive and intensive promotion of sports in the countryside will not only help make the people stronger and improve the quality of our workers, it also has a profound significance in transforming social traditions; promoting a civilized, healthy, and scientific lifestyle; and bringing up peasants of a new type who are better-educated, well-disciplined, and have lofty ideals and moral integrity. It is hoped that the broad masses of peasants will actively take part in sports training in order to improve their health, strengthen their will, and win new victories with a brand-new spirit in the great cause of reform, opening up, and socialist modernization.

Comrades and friends: Competitions of the First National Peasants' Athletic Games will begin soon. We wish that athletes from the various provinces, autonomous regions, and municipalities will learn from and help each other. In line with the spirit of "fair competition and team work," they should dare to win and scale new heights so as to bring credit to the peasants, win honor for the motherland, and make contributions to the rejuvenation of the Chinese nation and to the four modernizations.

I wish the First National Peasants's Athletic Games a great success.

October 9, 1988

Seven Sports Featured

OW0910144188 Beijing XINHUA in English
1214 GMT 9 Oct 88

[Excerpts] Beijing, October 9 (XINHUA)—The premiere Chinese National Farmers Sports Games opened here today with a participation of some 1,400 athletes from 30 of China's provinces, municipalities and autonomous regions.

The Chinese farmers games, which are to last till October 16, feature seven sports of track and field, soccer, table tennis, shooting, cycling, Chinese-style wrestling and basketball. Two demonstration sports of wushu (Chinese martial arts) and Mongolian-style wrestling will also be held.

A total of 43 gold medals will be on offer at the eight-day games.

Present at today's opening ceremony of the farmers games were Yang Shangkun, president of the People's Republic of China, Li Peng, premier of the Chinese State Council, Wan Li, chairman of the Standing Committee of the Chinese National People's Congress and other Chinese state leaders. [passage omitted]

Almost one-third of the Chinese national string athletes come from the countryside. At the 1986 Asian Games held in Seoul of South Korea, 26 of the 94 gold medals won by the Chinese were snatched by former farmers.

Wan Li Opens Machinery-Electronics Exhibition
OW0810021488 Beijing XINHUA in English
1506 GMT 7 Oct 88

[Text] Beijing, October 7 (XINHUA)—The first machinery and electronics products export exhibition opened at the China International Exhibition Centre here today.

Wan Li, chairman of the Standing Committee of the National People's Congress, cut the ribbon for the opening ceremony.

More than 400 domestic firms displayed over a thousand new machinery and electronics products in 17 categories at the exhibition, which covers a floor space of 12,000 square metres.

Addressing the opening ceremony, Zou Jiahua, state councillor and minister of the machine-building and electronics industry hailed the exhibits as the cream crop of new electronics and machinery products in China.

Most of the products are up to world standards, he said.

According to Zou, the products, accounting for 30 percent of all import substitution items recommended by the government since 1987, are manufactured locally with technology imported during the past few years or in cooperation with foreign manufacturers.

Since 1981, China's machinery and electronics industry has imported 2,000 items of technology, out of which over 1000 new products have been developed and can now be mass-produced locally in accordance with international standards.

These items of technology have helped China to update its electronics and machinery industry and have boosted the sector's competitiveness in world markets Zou Jiahua said, adding that Chinese products have now been sold to more than 40 countries and regions.

"The ongoing exhibition is yet another major move by the Chinese Government to promote the export of electronics and machinery products," the state councillor said.

He said he hoped that the week-long exhibition will bring domestic and foreign firms into a dialogue on co-operation and technical exchanges.

Jointly sponsored by the Ministry of Machine-Building and Electronics Industry, the Ministry of Foreign Economic Relations and Trade, the Machinery and Electrical Export Office of the State Council, and the China Council for the Promotion of International Trade, the exposition is expected to draw more than 10,000 visitors a day.

Zhao Ziyang, Hu Qili Visit Automobile Exhibition
OW1110131888 Beijing XINHUA Domestic Service
in Chinese 1637 GMT 10 Oct 88

[By reporters Li Anding and Zhou Liang]

[Text] Comrade Zhao Ziyang and Hu Qili visited the first China-made passenger car exhibition in Beijing this evening despite the rain. When they, full of zest, got into a Red Flag limousine, other visitors gave them a big hand.

Zhao Ziyang showed great interest in the substitute of home-made limousines and other big and small passenger cars for exported cars. In briefing Zhao Ziyang, Chen Zutao, chairman of the Council of the Chinese Automobile Union, said: Some 140,000 passenger cars of various kinds will be manufactured this year, and by 1990 China's automobile production will basically meet its domestic needs. Zhao Ziyang repeatedly nodded and reminded him by saying: Attention should be paid to expanding batch production, and a good job should be done in producing imported models; car prices should not be too high, which will make China-made cars competitive.

While visiting the exhibition, Hu Qili said to a French representative of the Guangzhou Biaozi Limousine Corporation: Whether or not an enterprise can be developed depends on whether or not it can improve the quality of its products.

Song Ping, Rong Yiren, and Zou Jiahua also visited the exhibition.

New Red Flag Limousine Debuts
OW0710122888 Beijing XINHUA in English
1037 GMT 7 Oct 88

[Text] Beijing, October 7 (XINHUA)—The second generation of "Red Flag" limousines made their debut at the 1988 China-made vehicle exhibition here today.

The 20-year-old "battleship" design has been changed to a modern streamlined appearance.

Also on display are more than 180 cars, sedans, coaches and buses, including joint-venture products from the Shanghai-Santana, Guangzhou-Peugeot, Tianjin-Cherad and Yiqi-Audi Companies.

The New "Red Flag" limousine was developed by engineers in the No. 1 Motor Vehicle Plant in Changchun, northeast China.

An engineer said the new model is lower than the old one. The new limousine is furnished with an automatic transmission system, wireless telephone and small refrigerator.

The new model will soon go into production in small batches for China's VIPs and foreign guests, the engineer said. It may also be exported. Old models have been exported to Third World countries.

The nine-day exhibition is hosted by 85 motor vehicle enterprises from across the country in a bid to show their technological and production capacity.

More on New Limousine
OW0710145288 Beijing XINHUA in English
1328 GMT 7 Oct 88

[Text] Beijing, October 7 (XINHUA)—A new prototype of the "Hong Qi" delux sedan—the sole Chinese-made saloon car—made its first appearance today at a national exhibition of cars and buses here.

According to an organizing official of the exhibition, the 251-hp sedan will be produced in small numbers for both the domestic and foreign markets.

The old "Hong Qi" sedans were first produced in 1958. The second generation "Hong Qi" sedan is powered by a Ford-V8 engine and fitted with a radio talker [as received] and a refrigerator.

Li Tieying Discusses Policy on Foreign Study
OW0810015488 Beijing XINHUA in English
1433 GMT 7 Oct 88

[Text] Beijing, October 7 (XINHUA)—China's policy of sending students abroad remains unchanged. In fact the number of Chinese students studying abroad is rising year by year, said State Councillor Li Tieying here today.

While meeting with Dr. Clarence Allen, chairman of the U.S. Committee on Scholarly Communications with China, Li Tieying, who is also minister in charge of the State Education Commission, said facts show that the policy and method of sending students abroad is good. Some people say that China will reduce the number of students to be sent abroad. "This is a misunderstanding," Li said. "We will not change the policy and method that have been proven good."

China will continue to send students abroad according to the needs of its economic construction and cultural development, so as to speed up the training of talented people and increase its exchanges and co-operation with countries all over the world in the fields of economy, science and technology, education and culture, Li said.

Li said it is understandable that some government-funded students studying in the U.S. hope to continue their studies there, even after they have received their degrees.

"We will take a reasonable policy and flexible attitude towards such cases according to the individual situation," he explained.

"As long as they submit the applications to the home departments and embassies or consulates they are subordinated to, their request for extending the time for studying abroad can be fully respected and considered. It can be solved in a reasonable way.

"By doing so, we should of course respect the laws of the countries where they are studying," Li said.

Li said that over the past ten years China has sent more than 60,000 students abroad and more than 20,000 students have returned to the country after they finished their studies.

"Beginning this year", Li said, "We will try our best to improve our domestic environment, creating better working conditions for those who have returned to the country after their study abroad so as to bring their talents into full play."

The state councillor concluded by stating that "we are now drawing up a policy to expand opportunities for the employment of returned students from abroad. Work has begun to establish service centers in China for returning students, which will help them solve their practical problems."

**Achievements of Jiuquan Satellite Center Viewed
OW0910042588 Beijing Domestic Service
in Mandarin 1030 GMT 5 Oct 88**

[Dispatch from the Jiuquan Satellite Center by station reporters (Su Kuoshan) and (Liu Manxue)]

[Excerpt] The way to the sky starts from here. Since its inauguration 30 years ago, personnel in Jiuquan, China's largest satellite launch center, have worked hard, surmounted innumerable difficulties through their own efforts, and scored great successes. As of now, the center, in addition to having successfully launched 19 manmade satellites of various types, has trial launched nearly 1,000 carrier rockets and strategic and tactical missiles of all types. Its success rate of 87 percent ranks among the world's advanced levels. In recent years, it has also won an international reputation by successfully performing carrying [da zai] services for foreign customers.

On 10 September 1960, the Jiuquan Satellite Launch Center opened the first page in the annals of China's development of guided missiles by successfully firing a short-range guided ballistic missile. After that, the center conducted China's first test of nuclear guided missiles and launched China's first manmade earth satellite "Dongfanghong No 1", the first retrievable remote sensing satellite, the first intercontinental guided missile, and the first "three satellites in one rocket." Since the 1975 launch of the first retrievable satellite, the center has achieved a 100 percent retrievable success rate by launching and retrieving 11 satellites. These spectacular achievements have enhanced the prestige of our military and our nation and have had a profound impact internationally.

The achievements of the Jiuquan Satellite Launch Center are the embodiment of the painstaking labor of generations of scientific and technological personnel. Natural conditions here were harsh when the center was first set up. As a result of the withdrawal of foreign experts, both data and equipment were lacking. Scientific and technological personnel at the center made a determined effort and carried out a series of technological innovations to ensure the successful completion of the launch tasks. In the past 10 years alone, they have received awards for more than 400 achievements in scientific and technology research. An electronic system they developed has enabled the center to fully automate launching, monitoring, and control, and has saved the state a great amount of funds. [passage omitted on how scientific and technological personnel endured the hardships of desert weather and dedicated themselves to building the center]

Center at 'Forefront'

HK1210075188 Beijing RENMIN RIBAO in Chinese
6 Oct 88 p 3

[Report by He Huangbiao (0149 7806 1753): "The Successful Launching Rate of China's Jiuquan Satellite Center Ranks in the Forefront of Advanced World Levels"]

[Text] Through hard work the engineers, technological personnel, cadres, and soldiers of the Jiuquan satellite launching center have improved the center's successful

launching rate, which now ranks in the forefront of advanced world levels and is highly appreciated by foreign customers.

This launching center is situated in Haohan Gebi covering Ejina Banner in Alxa League of Inner Mongolia and Jinta County of Jiuquan Prefecture in Gansu Province. It is the earliest and largest missile and satellite experimental base built by China undertaking arduous tasks such as testing and launching missiles and satellites, conducting flight surveys on powered phases, and post-processing experimental data. For the first time in 30 years it successfully launched a short-range missile by means of Chinese-made fuels, thereby opening up a new chapter in the country's history of missile experiments. Subsequently, the center launched the first Chinese-made nuclear missile, the first satellite "Dongfanghong," the first long-range carrier rocket, the carrier rocket "Yijian Sanxing," and the first recoverable satellite. Then it began to provide launching services for foreign countries. Statistics suggest that the center has successfully launched 19 satellites of various types, many types of carrier rockets, and almost 1,000 strategic and tactical missiles, registering a successful launching rate of 87 percent. It has also launched 11 recoverable satellites, with a successful rate of 100 percent, ranking in the forefront of advanced world levels.

The center has acquired a high successful launching rate because its engineers, technological personnel, officers, and soldiers have a perfect mastery of technology and a high sense of responsibility. Of the many top students who graduated from famous universities and were assigned to work here when the center just started its construction, 40 or so are still devoting their efforts to all types of experiments. Several thousand graduates from higher learning institutions and secondary technical schools assigned here have now become backbone forces in many experimental fields.

Another reason why the center has acquired a high successful launching rate is that it has continuously transformed its equipment, conducted technical innovations, updated the knowledge of its engineers and technological personnel, and enhanced their scientific and technological levels. According to incomplete statistics, they made 404 scientific and technological achievements from 1976 to 1987, 107 of which won awards from the state, the Army, and the Commission of Science, Technology, and Industry for National Defense. Apart from enhancing the scientific and technological levels of the center's personnel, these advanced achievements have also improved the utilization rate and reliability of its equipment and increased its ability to conduct experiments, thereby turning the center into a world-famous, comprehensive satellite launching base that has made great contributions to the motherland's space flight technology.

Following the development of reform and opening up to the world, this center has arranged reception for visits by delegations from the United States, France, the FRG,

and Sweden. From 1987 to 1988, the center provided satellite launching services for four companies from France and the FRG and made satisfactory successes in this respect. President (Hoffman) of the FRG space exploration corporation sent a telegram to the Jiuquan satellite launching center on 18 August saying: "Your technological achievements have made an unforgettable impression on us. This is the result of hard work of the highly responsible working personnel."

Chi Haotian Inspects 'Modern' Militia School
OW0810204888 Beijing XINHUA Domestic Service
in Chinese 0719 GMT 7 Oct 88

[By reporter Yang Mingqing]

[Text] Shenyang, 7 Oct (XINHUA)—A modern militia and reservists school was established in Anshan City recently. Marshal Xu Xiangqian wrote the inscription for the school.

The school was founded by the Anshan Iron and Steel Complex with its own funds. It can train militia anti-aircraft artillery, anti-aircraft gun, chemical warfare defense, and signal corps detachments. It also can train specialized armed forces cadres, militia cadres, and reserve force commanders. At the same time, it is a place where the workers and staff members of the Anshan Iron and Steel Complex take general knowledge courses and national defense knowledge courses and carry out military sports activities. On the campus, there are a war room, microcomputer room, audio-visual classroom, and teachers' research office, equipped with complete sets of electric audio-visual training aids. The PLA Chief of General Staff Chi Haotian recently inspected the school and praised it as a modern militia school.

Reform of Military System Reform Underway
HK0810080688 Beijing JIEFANGJUN BAO
in Chinese 22 Sep 88 p 3

[Article by Liu Yichang (0491 5030 2490): "Speed Up and Deepen the Reform of the Military System"]

[Text] A military system is an important component of a state system as well as an organizational form and means of leadership and management of national defense and the armed forces. It involves the structure and establishment of national defense and the armed forces as well as the rules and regulations concerning them. China's military system has entered an entirely new period through 30 years of efforts. Great changes have taken place in the composition of our arms and services, a combined army [hecheng jundui 0678 2052 6511 7130] composed of different arms and services has taken shape, and its ability to conduct combined operations has improved. Orders, rules, and regulations have been promulgated, thus taking a gratifying step toward regularization, systematization, and legalization. A system of science, technology, and industry for national defense has been formulated with a certain scale and level, thus markedly

improving the weapons and equipment of the Chinese armed forces. Since the 3d Plenary Session of the 11th CPC Central Committee, a strategic change has taken place in the guiding principles for our army building, and great progress has been witnessed in the army's revolutionization, modernization, and regularization. However, we should also be aware that there are still factors that do not correspond to the army's revolutionization, modernization, and regularization. Only by speeding up and deepening the reform of the military system can we push forward the modernization of national defense with Chinese characteristics.

First, we should perfect the national defense leadership system and draw up national defense policies in a scientific and democratic manner. National defense leading organs perform the basic functions of state power in army and national defense construction. In national defense development, they should be able to make correct judgments of the situation and its development during war and peace years, to make a scientific forecast of the future, to rationally work out the scale, structure, and proportion of the armed forces, to correctly handle the relationship between national defense construction and state economic development, to formulate major principles for national defense construction, to fix the orientation and target of development for national defense science and technology and for weapons and equipment, to lay down military strategic principles for the state, to draw up strategic plans, to correctly deploy troops, and to decide on the size of army units. To perform these duties, scientific policymaking is quite necessary. And to do all this, we should determine which party and government organs must exercise leadership over the armed forces and national defense construction, which leading methods to take, what powers these organs must have, to gradually improve the policymaking system, executive system, consultative system, appraisal system, supervisory system, and feedback system for national defense leadership. The average age, professional structure, and knowledge mix of the personnel of these systems should be arranged rationally. To put it more specifically, an echelon formation is necessary while making efforts to meet the demands for the diverse functions of modern national defense leadership.

Second, it is necessary to correctly handle the relationships between national defense and state economic construction and between national defense and social development so as to strengthen the material and technological bases for national defense construction. Following the development and change in international relations, a comparatively safe and peaceful environment has emerged in the world in which it is possible that no large-scale war will break out for a certain period of time to come. However, the arms race between the superpowers has not stopped and the danger of a world war has not been fundamentally eliminated. In this new situation, national defense construction must coordinate with state economic construction and social development, and the armed forces must be built on a certain

scale. We should continue to pursue the principle of better troops, to build a crack, standing army equipped with excellent weapons that will be able to deal with local armed conflicts, to safeguard the country's frontiers, and to maintain coastal security. During a war against aggression in the future, this army must be able to assist the country in fulfilling its strategy and to prepare a backbone force for strategic expansion of the armed forces. In addition, taking the militia and the reserve service as a combined basis for the reserve forces and with focus on building a reserve of officers and professional soldiers, efforts should be made to embark on a road of integrity characterized by the combination of training, recruitment, reserve, and mobilization, with the aim of improving and perfecting the military service and troop mobilization systems with Chinese characteristics. As material and technological bases for modern armament and war, science, technology, and industry for national defense should be put in the national economic structural reform program. It is necessary to do a good job in this structural reform, to put the national defense industry in the national economy, to form an enterprise structure with military and civilian characteristics, to adjust the technological structure and the product mix, to set up a production structure for military and civilian purposes, to increase the stability of the national defense industry during war years, and to form a rational distribution that corresponds to the military and geographical conditions of the country. Moreover, according to the activities of the national defense industry, a regulatory structure should be formed in such a way that it combines economic, administrative, and legal means. During the historical period of bringing about a strategic change in national defense development, we must adhere to the combination of military and civilian skills in developing national defense science and technology; pursue the policy of "giving prominence to key points, shortening the battle line, carrying out more research and less production, and building as strong a technological reserve as possible"; and set up a "four-in-one" combination research and exploitative body composed of army units, government departments, universities, and enterprises, with the aim of shifting national defense science and technology toward civilian use and of allowing civil science and technology to "flow" to military departments. National defense education, civil defense, and strategic rear construction should also correspond to the strategic change in national defense development. For example, it is necessary to form a "five-in-one" combination national defense educational system composed of the government, the army, society, schools, and families; to implement the principle of combination between civil defense and strategic rear construction, between the army and the people, between preparations for peace and war years, and between the urban and rural areas; to exercise stricter management over projects that have been built; to change the habit of carrying out projects on too large a scale and too long a front; to pay attention to economic results while making better preparations against war; to strengthen management over plans and technological work; to put civil defense and strategic rear

construction in the basic plans for economic and social development and for urban and rural construction; and to make overall arrangements for the rational use of land. All this has far-reaching significance in protecting war potential and to bringing into play the role of cities as fortresses.

Third, the internal organizations of army units and their mutual relations should be reformed through scientific grouping so as to improve their integral combat effectiveness under modern conditions. The composition of a modern army can be divided into the five categories of command, combat unit, logistics support, military academic training, and scientific and technological research, with the combat unit as the principal body. In view of the characteristics of modern warfare, the composition of a modern army should shift from the independence of arms and services to their appropriate and coordinated development. Following the development of weapons and equipment, the operational sphere will expand in an omnidirectional way, thus allowing different arms and services to taken on a more diversified nature. The composition of army units should proportionately develop according to military strategic principles, future operational patterns, military and geographical conditions, and the development trend of weapons and equipment. It is all the more necessary to form good organic coordination between the ground force, the navy, and the air force; between nuclear and conventional forces; between strategic and tactical nuclear forces; with regard to ground, air, and naval defense; and in the fields of command, control, communications, information exchange, logistics support, and military scientific and technological research, so as to realize the country's military strategic targets. This is the biggest problem in combining the internal organizations of army units. To meet the above demands, the basic component of army units should be shifted from foot soldiers to professional soldiers and the number of ordinary soldiers, officers, professional soldiers, as well as nonmilitary personnel should be arranged in a proportionate manner.

The scale of modern warfare is big, the battlefield is large, and there will be great varieties of arms and services participating in the war. Electronics confrontation will be very serious. In particular, the emergence of missile and electronic warfare has improved the effectiveness of military operations, has made the division of work between army units more specific, and has expanded the scale of combined operations of various arms and services, thereby requiring us to appropriately improve our ability to organize and command. The command system of the armed forces must be accurate, perfect, and highly effective. The theaters of operations must be divided rationally, command must be issued on an appropriate scale, the relationship of subordination must be very clear, operations must be highly efficient, and responses must be quick. In view of the development of weapons and equipment and taking account of new operational thinking, combat forces should shift from a programmed, coordinated action to a multisystematized,

multitier, integrally combined operation so as to bring into full play the role of weapons and equipment and to improve combat forces' ability to conduct coordinated operations and exist under modern war conditions. Of course, in the new situation it is necessary to introduce a series of reforms for the armed forces' management, education, training, political work, and scientific research so as to promote their modernization and regularization.

Fourth, it is necessary to improve and perfect the military legal system with Chinese characteristics and to bring about legalization and systematization in army building and national defense construction. Military law and regulations are an important component of state law. Leading comrades of the Central Military Commission pointed out on several occasions that the most fundamental issue is to perfect decrees and ordinances, to form rules and regulations, to improve military law, to give law education to officers and soldiers so that they strictly abide by law, to standardize their action, and to systematize their management. Since the 3d Plenary Session of the 11th CPC Central Committee, the country has paid more attention to military legislative work and has initially formed a military legal system with Chinese characteristics. Since October 1987 the NPC Standing Committee has promulgated 16 laws and regulations, including the "Military Service Law," the "Law on Civil Air Defense," and the "provisional regulations on punishing military personnel who act contrary to their duties;" the State Council and the Central Military Commission have jointly promulgated 40 laws and ordinances, including the "ordinance on recruitment work." Earlier this year, the first Standing Committee meeting of the Seventh NPC examined and approved the "regulations of the PRC Central Military Commission for conferring honorary medals on retired military cadres who have done meritorious service," the second meeting examined and approved the "ordinance on the Chinese PLA officers and military ranks," and the third meeting approved and announced the "ordinance on the Chinese PLA officers on active service." Central Military Commission Chairman Deng Xiaoping signed and issued the "provisional ordinance on the Chinese PLA nonmilitary cadres." The State Council and the Central Military Commission examined and approved the "ordinance on the Chinese PLA soldiers on active service." The General Staff Department of the PLA worked out the "military ranks of soldiers." Many other military laws and regulations are still in the making. Apart from this, judicial organs are being restored and improved and the military judicial contingent is being strengthened, all aimed at forming a comparatively complete military judicial work system. For the sake of modernization and regularization, it is also necessary to gradually improve other laws and regulations with Chinese characteristics so as to administer the armed forces with law, to resolutely eliminate the habits of ignoring laws, of substituting powers for laws, of putting one's remarks above laws, of changing laws at will, of asking one's superior for instructions every time something is to be done, of

taking makeshift measures at the last moment, and of doing things regardless of objective conditions. The enforcement of laws and regulations must be strict, all changes must be submitted for legal approval, and no individual has the right to make any alteration. In addition, taking account of the changes in the situation, we should do a good job in legislating, changing, and abolishing the provisions for military law and regulations with the aim of gradually perfecting and systematizing military law and regulations with Chinese characteristics and realizing the legalization of army building and national defense construction.

Students Deem Military Training 'Very Necessary'
HK0810003488 Beijing CHINA DAILY in English
8 Oct 88 p 3

[By Cao Yong]

[Text] Military training is now in greater favour among China's college and high school students who have experienced it although they had not been so keen before they took part.

A poll among 400 students at Beijing's Qinghua University found that nearly 80 percent of them thought it "very necessary."

Having grown up in a peaceful environment, China's younger generation does not have a great awareness of the needs of national defence. Some college students, however, though that national defence was no concern of theirs, according to Su Zhongren, director of the military Training Division under the State Education Commission.

Military training for students serves to strengthen their consciousness of national defence, widen their fields of vision and provide much useful new knowledge, Su said.

Military training had also a very important role to play in educating all the people on national defence. Su pointed out that this had been stressed by party and national leaders many times.

Now, 142 colleges and universities and 200 high schools are offering, or are scheduled to offer in the next year, military trainings for students. This is only a small percentage of all China's colleges and schools, mainly due to a shortage of funds.

College heads in China are also generally in favour of military training, believing it a good way to educate students about society.

Military training has helped to foster a collective spirit among students and encouraged a readiness to devote their lives to the motherland, commented Tian Haiting, deputy secretary of the party committee of Tianjin University.

Hu Ping on Grain Contracts, Purchase Priorities
OW1210035688 Beijing XINHUA Domestic Service
in Chinese 1443 GMT 10 Oct 88

[By XINHUA reporter Chen Yun and RENMIN RIBAO reporter Jiang Yaping]

[Text] Beijing, 10 Oct (XINHUA)—Minister of Commerce Hu Ping said here today that in arranging market supplies, it is necessary to give first priority to grain, to uphold contracts for purchase of grain, and to strengthen the unified dispatch of grain.

He said: Grain prices which may affect retail prices will remain unchanged next year in order to create conditions for improving the economic environment, rectifying the economic order, and deepening reforms in an all-round way.

Hu Ping said: There is a favorable as well as a grim aspect in this year's grain situation. He said: There have been more natural disasters this year than before. As a result, grain output has dropped. This has made it difficult to arrange grain supplies. However, more grain was kept in stock early this year than in the same period of last year, and the masses also had some surplus grain in hand. In addition, the waste of grain is now serious; so there is a big potential for us to save grain. We can certainly surmount difficulties and stabilize the market provided we all make concerted efforts to carefully make arrangements for grain supply and to strengthen the unified dispatch of grain.

Hu Ping clearly indicated: It is necessary to persistently practice a responsibility system for purchase, sale, and dispatch of grain and for finance in this regard in the next 3 years. With regard to good and bad harvests, adjustments will be made at the end of 3 years. Contracts for purchase and sale of grain in 1988 will not be adjusted.

Hu Ping also indicated: To ensure that price increases next year will be smaller than this year, the price of rationed grain for urban residents and prices of market grain which have a direct bearing on retail prices will remain unchanged. Grain must be used in a planned and economical way.

Hu Ping said: The State Council recently decided that the authority over the storage and dispatch of state grain belongs to the central government and that the unified dispatch of grain must be carried out. Rice is to be purchased by grain departments in a unified way, and no other unit or individual is permitted to deal in it. Hu Ping called on grain departments to implement state policies in an exemplary way, to strictly observe discipline, and never to engage in hoarding and speculation, drive up grain prices, or wage a "grain war." All grain departments below the provincial level are prohibited from sending purchasing clerks to buy grain from grain-producing areas, and violators will be dealt with

severely. It is necessary to assist concerned departments in efficiently managing the grain market, and a price ceiling and the minimum protective price of grain may be set when necessary. A certain quantity of grain should be kept in stock in order to use it to regulate the market.

Hu Ping said: It is high time to purchase grain. All localities should strive to bring in autumn grain crops and put them in storage in order to ensure the fulfillment of the state plan for purchase of grain. Areas with good grain harvests should make efforts to purchase more grain at negotiated prices, and contracts for purchase of grain must be conscientiously fulfilled. A good job should be done in supplying chemical fertilizer, diesel oil, and other materials. Grain must be paid for when purchased. When a household delivers its grain, the grain must be paid for in full. Whoever sells grain should get the money. Good service should be provided in order to make things convenient for peasants to sell and deliver grain.

Banks Prepare To Purchase This Year's Harvest
HK0810005288 Beijing CHINA DAILY in English
8 Oct 88 p 1

[By staff reporter Dai Beihua]

[Text] China has decided to provide local banks with enough money for the purchase of agricultural and sideline products despite a number of problems, including a shortage of funds.

Agricultural Bank of China (ABC), the country's biggest bank with special interest in agriculture and agro-business has issued an eight-point circular to its branches all over the country to guarantee enough cash for agricultural and sideline products purchase.

Hu Huanxian, senior economist of ABC's Agricultural and Commercial Department, told CHINA DAILY that the necessary funds will be provided under the guidance of the circular. Money needed for the purchase on the whole is guaranteed.

About 80 percent of the country's agricultural product purchase fund—some 30 billion yuan—will have to be provided by ABC for the purchase of grain in the following months when the harvest season is at its climax.

The fund shortage in the harvest season this year was mainly caused by the widespread price rises and the mass withdrawal of bank savings in August and September, he said.

In addition, part of the grain purchase prices has been raised, by an average of 2 fen to 3 fen more than the usual 15 fen per jin (half a kilogram).

In Guangdong and Fujian Provinces, for instance, the ceiling on grain prices has been lifted. More funds have to be provided by the local banks this year than in 1987.

However, ABC's headquarters in Beijing is discussing measures to change the situation.

"The problem will be solved," Hu said.

One good reason to be optimistic is the grain purchase money paid in advance. ABC has done a very good job to offer down payment early this year to the farmers for the grain they promised to sell to the state. At the same time, the state provides them diesel fuel and chemical fertilizers at state prices which are much lower than market prices.

As the purchase season approaches, ABC launched regulations for its branches to:

Predict the amount of purchase funds before hand. The shortage of funds and the measures to solve it should be reported to the local government and ABC headquarters timely.

Pledge the funds for contract purchasing, including the agricultural and sideline product purchase money paid in advance. The state-run grain trade companies, supply and marketing cooperatives and tobacco companies are given priority to have funds.

Increase sources of funds. The township loans will be cut and the overdue loans will be paid back.

Strengthen administration of local banks. ABC earmarks about 100 billion yuan for agricultural and sideline product purchase every year.

At off seasons, the funds are usually used for other purchases. Now the bank calls for its branches to get the funds back for its intended use.

Calculate the necessary funds accurately. In some areas, purchase departments ask the local banks for more money than they can use, and thus cause the shortage of funds.

Strengthen administration of settling accounts and punish those who violate the rules governing the use of agricultural and sideline product purchase funds.

Minister Reveals Extent of Flood, Drought Damage
OW1010050188 Shanghai City Service in Mandarin
1000 GMT 4 Oct 88

[Text] According to a XINHUA report from Beijing, Yang Zhenhuai, deputy director general of the Central Flood Control Headquarters and minister of water resources, spoke at the fourth meeting of the headquarters on 4 October.

He said: Floods were rather serious during this year's flood season, but there weren't any major problems and the damage was relatively small. The flood season has safely passed.

He said: As of 1 October, some 169 million mu of land has been affected by floods, 77.9 million mu of damaged, 2,833 deaths reported, and 1.13 million houses collapsed. Flood damage this year was medium to heavy, compared with the corresponding periods of the 5 preceding years.

He said: Drought was quite serious in China this year, one of the more severe years since the founding of the country. A heat spell along the Chang Jiang and the Huai He in the middle and latter parts of July brought severe drought in the Huai He, Liao He, and mid- and lower-reaches of the Chang Jiang [words indistinct], with about 170 million mu of land continuously affected. So far the drought has affected 480 million mu of land and damaged 200 million mu.

New Agricultural Bases Planned for River Plains
HK1110120588 Beijing CEI Database in English
11 Oct 88

[Text] Beijing (CEI)—China plans to develop five new agricultural bases—the Yellow-Huakhe-Haihe river plain, the Songhua-Heilongjiang-Wusuli river plain (Sanjiang Plain). The Songhua-Liaohe river plain, the Hunan-Hubei-Jiangxi agricultural commodities base and an agricultural base comprising the arid areas of six northwestern provinces.

It is estimated that by the end of this century grain production in these areas will increase by 70 million tons, of which the Yellow-Huaihe-Haihe river plain accounts for 25 million tons, the Sanjiang plain 5 million tons, the Songhua-Liaohe river plain 17.5 million tons, the Hunan-Hubei-Jiangxi base 13.3 million tons, and the northwest China base 10 million tons.

State Acts To Protect Dwindling Grasslands
HK0810004688 Beijing CHINA DAILY in English
8 Oct 88 p 1

[By staff reporter]

[Text] China is preparing urgent steps to save its disappearing grassland.

Priority will be given to protection and investment will increase, Ministry of Agriculture officials said.

About 1.3 million hectares of prairie land are lost every year. One-third of the total usable grassland of 30 years ago is now gone, said Li Shoude, a divisional chief with the animal husbandry bureau of the ministry.

Grassland accounts for a third of the total land area of China, or about 320 million square kilometres. More than 220 million square kilometres are fit for use.

Special grassland protection organizations will be set up at various levels, Li said. More highly-qualified supervisors will be recruited.

Many people, including local government employees, will be educated or encouraged to make appropriate use of the grasslands.

China has cultivated 6 million hectares of new grassland in recent years, and airplanes have been used to seed about 1 million hectares of prairie.

The whole programme has been financed with money from home and abroad.

But all the new grassland only accounts for one-ninth of the area lost over the last three decades.

The annual amount of grass produced in the country has dropped by between 30 and 50 percent since the 1950s.

Causes [Subhead]

Grassland is disappearing mainly because of excessive grazing, crop growing and ignoring of State policy, Li said.

More than 7 million hectares of grassland have been given up to crops in grass-rich provinces and autonomous regions.

The Xinjiang Uygur Autonomous Region had planned to open up about 700,000 hectares of grassland to crops to the end of 1990, while the Inner Mongolia Autonomous Region also hoped to do the same with 433,000 hectares, even though the change of use has not paid off in many areas.

In Qinghai Province, illegal and excessive gold mining also has resulted in serious losses. In a county near the source of the Yellow River, about 330,000 hectares of grassland have been damaged in this way in recent years.

The state's grassland protection policies and laws are hampered in some areas by interference from local authorities, Li said.

There are nearly 100 million head of livestock in China today compared with less than 30 million in the 1950s. Rapid population growth, especially in some comparatively backward parts of northwest China, has meant that more livestock are reared to provide more food...and more grassland is lost.

State Land Chief Views Land-Population 'Crisis'
HK0910063388 Taiyuan Shanxi Provincial Service
in Mandarin 2300 GMT 8 Oct 88

[Text] Why is cherishing every inch of land regarded as a basic national policy? At a report meeting held on 8 October by the provincial party committee and government, State Land Administration Bureau Director Wang Xianjin delivered a report entitled "Have a Clear Understanding of the National Land Situation and Strengthen

Land Administration," in which he cited hosts of facts and shocking statistics to tell everyone: The land-population ratio in China will remain in a state of crisis for a long time to come.

On the characteristics of China's land resources, Wang Xianjin said: China has a vast land area, but there is little land per person and the area of arable land per person is even smaller. In addition, the distribution is uneven. The average area of farmland and permanent cropland per capita is only 1.4 mu, which is 30 percent of the world average and 1/40 of farmland availability per capita in Australia. In China 6.8 percent of the world's farmland is supporting 21.8 percent of the world's population. In the 28 years from 1957 to 1985, the area of farmland declined by an average of 8 million mu a year, while our population rose by over 400 million. Such a rapid decline in arable area has already hampered to a serious degree sustained and steady economic development in China.

In his report he made a comprehensive analysis of some main reasons for the serious decline in the farming area in the country in recent years and proposed a number of measures for striving to maintain basic balance between land supply and demand. He also endorsed the education for the whole people in national land concepts, launched in Shanxi, as thorough, sound, and meticulous. This encouraged and educated the more than 300 provincial organ leaders and cadres of the provincial and some prefectural and city land administration bureaus present.

Rural Energy Development Top-Priority of Research
OW0910092088 Beijing XINHUA in English
0730 GMT 9 Oct 88

[Text] Beijing, October 9 (XINHUA)—China has listed the comprehensive development of rural energy as a top-priority research project during its Seventh 5-Year Plan period (1986-90) to ease growing energy shortages in the countryside.

The project is being undertaken by Qinghua University, China's leading polytechnic college, and the Energy Institute of the Chinese Academy of Sciences, today's GUANGMING DAILY reported.

Twelve counties in different geographical conditions have been chosen as pilots in developing rural energy in various ways, such as construction of small hydroelectric power stations, small coal mines and methane gas pits, planting of firewood trees and the use of solar energy.

The Chinese Government has earmarked 10 million yuan (about 2.7 million U.S. dollars) for energy development in these counties, the paper said.

Rural China, where 80 percent of the one billion Chinese live, is short of 30 billion kilowatt-hours of electricity annually, the paper quoted some of China's leading energy experts as saying.

Consequently, some rural factories have to stop operation three or even five days a week.

Energy shortages also force farmers in some areas to use nearly 70 percent of crop stalks as firewood, making it impossible to return the stalks to fields. This means a big loss in the soil's content of organic elements such as nitrogen and phosphorus.

For example, the content of organic substances in once-fertile soil in the northeast China plain has dropped from 5-9 percent to two percent.

Energy shortages also led to indiscriminate tree felling in rural areas, forestry experts say. As a result, China's forest coverage was reduced to 12 percent, compared with the world's average of 22 percent.

State Planning Commission Calls for Saving Coal
OW1110155788 Beijing XINHUA in English
1435 GMT 11 Oct 88

[Text] Beijing, October 11 (XINHUA)—The State Planning Commission has called for reducing the production of non-essential goods to save coal for heating people's homes in the coming winter.

Since January, the increase in industrial consumption of coal in China has outstripped that of coal output by ten percent. This, plus inadequate railway transport capacity, has aggravated the coal shortage, said a senior commission official.

"Despite the difficulties, government departments involved in coal production, transport and supply will do their best to ensure that every home is warm in the coming winter," said the official.

The commission has also re-affirmed a 1987 decision of the State Council to economize the use of electric power, also for the purpose of ensuring the supply of coal to heat people's homes.

To the Chinese people, one thing is all the more comforting: Miners in 32 coal mines in east China are racing against time to produce five million tons of more coal in the last quarter of this year than planned.

These coal mines are in densely populated areas and have easier access to transport, said the official, adding that the additional coal might suffice to meet the immediate needs of these areas.

Yu Hongen, general manager of the China General Corporation of State-Run Coal Mines, made a special trip earlier this month to the Kailuan coal mines, a key coal producing center.

In Kailuan, Hebei Province, Yu gave on-the-spot guidance to the combat to save two mines from being flooded. He also demanded that a new mine be put into operation this month, instead of some time next year as planned.

Luo Yunguang, vice-minister of railways, has called a series of conferences with heads of local railway bureaus directly responsible for coal transport.

At such conferences, ways were worked out to increase the number of trains special for coal transport.

SHIJIE JINGJI DAOBAO Views Reform
HK1110041988 Shanghai SHIJIE JINGJI DAOBAO
in Chinese 26 Sep 88 p 13

[Article by Lin Zili (2651 1311 0500): "Commercialization of Labor, Socialization of Wealth, and the Formation of Market Mechanism—Probing Reform Theories and Strategies"]

[Text] China's economic reform has arrived at a new stage. Single-item and superficial reforms will be unable to succeed. The only way out is to carry out coordinated and deepgoing reforms. Thus, reform theories and strategies have become more important than ever before.

As we are in a new era in which the commodity economy is being developed throughout the world, we must make a profound study of the new characteristics of modern commodity economy in order to put forth theories and strategies for our reforms.

We are also in an era in which reforms are being carried out in various socialist countries. So we must also study and learn from the experiences and lessons of other countries so that we can extricate ourselves as soon as possible from the difficult position characterized by the long-term coexistence of both the new and old structures and both the low increase and high commodity prices.

We have accumulated rich experiences through our reforms in the past decade. We must also make a new summary of our own experiences.

I. Modern Commodity Economy—Enlightenment From the Historical Experiences of the Three Major Stages of Developing the Commodity Economy [subhead]

The new characteristics of modern commodity economy can be summed up as follows: First, the socialization of wealth that is suited to the socialization of production; second, the macroeconomic functions formed on this basis.

These characteristics are summed up on the basis of studying the development of the commodity economy throughout the world. The following are the three major stages of the development of the commodity economy: First, the stage of the commercialization of products. It started prior to the development of capitalism and was not developing quickly until labor was commercialized. Second, the stage of the commercialization of labor, in which not only products but labor had become commodities. It symbolized the socialization of production and led to the development of capitalism. Third, the stage characterized by the full development of the commercialization of ownership, or the stage of the socialization of wealth that is suited to the socialization of production, in which macroeconomic functions were formed. It indicated that the commodity economy had gone beyond the limit of capitalism and there was the possibility of unifying it with socialism.

Based on the study of modern commodity economy, I once pointed out that the socialization of production is contradictory to the closed-type ownership of wealth. Both history and logic prove that if ownership is of the closed type, it will inevitably obstruct the improvement of the integration of various production elements, the rational and full use of various materials and resources, the formation of a perfect market system, and the effective operations of social economy. In other words, the socialization of production will inevitably demand socialization of wealth.

The socialization of wealth is realized through separating the functions of associated operations and ownership, which enables operations to break away from the trammels of ownership and become an independent main body, the main body of operations or labor (operations is also a kind of labor). The relationship between it and the owner is a relationship of equality. In other words, the owner leases the concrete form of ownership, or the right to control the property, to the lessee and gets remuneration, such as interests (dividends) and rent, from the latter. Separation of the user and the owner appeared long ago in history, such as the land tenancy of the feudal society and the separation of industrial funds and credit funds in the capitalist period prior to socialism. But the former did not belong to the category of the commercialization of ownership, and the latter only indicated the commercial features of ownership rather than its fully developed form. Only when all wealth, whoever the owner and however great in quantity and either privately or publicly owned, is used by society, like in the modern commodity economy, can we say that wealth is socialized.

With the socialization of wealth, the contradiction between the socialization of production and the closed-type ownership will also be solved, and people will have equal opportunities to engage in all kinds of operations according to their abilities. As anyone who uses the wealth should take risks and be restricted by the prices of ownership (funds and real estate) which are determined by the market, the utility rate of major production elements will

be increased and the irrational use and waste of wealth will be prevented. The socialization of labor created great productive forces in the early period of the commodity economy. The socialization of wealth will create even greater productive forces than that period for the development of the modern commodity economy.

As the market system of the commodity economy will become perfect on the basis of socialization of labor and socialization of wealth and the incomes of all social members will be reflected by the form of labor price and the prices of various other major elements through the market, the objective conditions for the formation of macroeconomic functions will also be created. People will be able to make use of these functions to regulate their income and various economic relations and operations and to realize the development strategy.

The above analysis of the major characteristics of the modern commodity economy shows that they are common and inevitable expressions of the mode of commodity production. In other words, the development of the commodity economy will naturally lead to the socialization of labor, the socialization of wealth, and the formation of macroeconomic functions. This is not only a way to create great productive forces but also a way to relatively simplify economic relations among people and to increase the possibilities for them and enhance their ability to select and control their social and economic relations. People will be able to follow the law of the commodity economy and accomplish things that the market is unable to accomplish, such as regulating economic relations and attaining the objective of development. This means that the commodity economy will be able to go beyond the frame of capitalism and enable people to establish different economic relations and attain different objectives under the mode of commodity production but it cannot surpass the inherent law of the commodity economy. This is a very important enlightenment for us in order to realize socialism under the condition that the commodity economy is fully developed, or to establish a new structure and new order of the socialist commodity economy.

II. Renewal of the Socialist Theoretical Pattern [sub-head]

According to the theory of scientific socialism, socialism means excluding the rule of wealth (capital) over labor, realizing the emancipation of labor, and establishing new relations between production and distribution on the basis of equal exchange of labor, that is, "equal pay for equal labor."

In the late 19th century, when the founders of scientific socialism were still living, the process of socialization of wealth, which was suited to the socialization of production, had already begun. It was mainly expressed by the emergence of joint-stock companies. At the same time, the emergence of the government functions of the commodity economy, that is, its macroeconomic functions,

also became a trend of development. Marx witnessed all this and explained its significance. However, in those years, it was difficult to realize the contradictions between the socialization of production and the closed-type ownership of wealth and the far-reaching significance of socialization of wealth, especially the roles of macroeconomic functions. This is because they had not yet become the reality. Therefore, it was impossible for Marx to greatly develop his theories at that time and make a further study of the question of realizing socialism under the condition of the commodity economy. That is why he left his descendants an envisagement of socialism which is characterized by the direct exchange and direct distribution of labor without the market. Practices based on this envisagement have proved unsuccessful. That is why the socialist countries are carrying out economic reforms one after another. However, even to this day, the fundamental problem of unifying the commodity economy and socialism still remains unsolved in theory. It cannot be solved by the planning-market pattern of some other countries, nor can it be solved by the theory of the socialist commodity economy inside our country, on which there are still different views. In my opinion, as different kinds of labor, which are different in quality, cannot be measured with the same natural yardstick of time, and direct exchange is impossible. On the other hand, as the society is unable to directly understand and completely control the demand for various kinds of labor (products), direct distribution by the government or by a certain social organization is also impossible. We can only seek an indirect channel of equal exchange of labor and distribution of labor, that is, the channel of the market. Therefore, it is necessary to speed up the pace of the commercialization of labor and socialization of wealth, establish socialist macroeconomic functions, and regulate personal incomes from ownership and other incomes from nonlabor sources, so that the relations between production and distribution characterized by the equal exchange of labor can be indirectly and relatively realized under the condition of the commodity economy and through the market. Thus the ideal of socialism will be turned into reality and a highly efficient new structure—the socialist commodity economy—will be established, which has a market mechanism specially owned by the commodity economy and conforming to the principle of labor equality.

This is a special pattern of the socialist commodity economy, which is different from the planning-market pattern of some other countries. The planning-market pattern cannot explain the unity of socialism and the commodity economy because both planning and the market are the forms of production and exchange and the forms of economic operations rather than economic systems. According to this pattern, socialism seems to be in a state of half commodity economy or half market. Practice proves that this state can only appear in the short period of the new system replacing the old. It is not a final pattern.

III. Formation of Market Mechanism—Difficulties and Way Out [subhead]

The way out is to commercialize labor and socialize wealth, so that the market of major elements and the market of products can develop simultaneously. The socialist commodity economy is not in a state of half commodity economy or half market. Its market mechanism should be a complete and perfect one. The concept of market has an intensive meaning of the independence of the producers. If the producers are not independent, there will be no competition among them and there will not be a real market. The concept of modern market also has an intensive meaning of the macroeconomic functions of the government. Therefore, the cultivation of the market, enterprise reform, and the shifting of government functions (to the macroeconomic field) cannot be separated from one another. They can only coordinate with one another and be promoted simultaneously. But the key lies in the market, or the formation of the market mechanism.

China's practice of reforms over the past 10 years proves that the development of the market system has an important bearing on the progress of reform. The situation of coexistence of both the new and old structures has been a result of the unsuccessful formation of the market. The problem that the market system is not formed and cannot become mature quickly is the greatest problem for all developing countries, especially the socialist countries, in their economic development. Perhaps it is appropriate to say that the key to our development lies in the market, and the key to achieving a substantial progress in reform also lies in the market.

Under the condition that the market has not been formed, there are no objective criteria to measure and appraise people's economic operations, and there is not an objective basis for readjusting various economic relations. The enterprises can refuse to assume responsibility for their losses but only take profits, the workers can get more pay without doing more work, there can be an "inverse ratio" between income and contribution, and investment can be made without taking risks and can enjoy the "big rice pot" in remuneration. All this will result in the swelling of all kinds of nonlabor income through various abnormal channels.

Under the condition that the market has not been formed, the imbalance of general supply and general demand and dislocations in the production and consumption structures are unavoidable.

At present, the most striking problem is the price increase. Although we can find reasons in many other aspects, in our country, the main reason for price increase or inflation is in the market, in the fact that the market mechanism has not been formed and the structures or systems obstructing its formation.

The basis for establishing a new structure and new order of the socialist commodity economy is the cultivation and formation of its market system and market mechanism. Essentially speaking, the overall deepening of price reform, or the entire economic reform, is also aimed at speeding up the formation of the market mechanism.

The shortage in effective supply, which is an outcome of the old structure, has resulted in the swelling of demand, which is obstructing the formation of the market and its mechanism. However, this situation cannot be fundamentally changed without the help of the market mechanism.

This is where our difficulty lies in the course of reform. I once pointed out that in order to solve this fundamental problem, we should promote the commercialization of labor and the socialization of wealth, giving priority to the cultivation of the market of major elements so that it can keep pace with the development of the products market. My reason is that it is a great risk for us to free the prices of all products (including the prices of both capital goods and consumer goods) under the condition of a serious shortage in supply. However, if we pay more attention to the market of major elements, for example, if we pay more attention to speeding up the formation of the labor market through reform of the employment system, price increase and the increase in ordinary labor prices may be prevented, because ordinary labor is not a major element in short supply but a surplus element. For another example, if we deepen and regularize the separation of management and ownership through reform of the property right system and speed up the formation of the money market, price increase can also be prevented. Although the prices of funds (interest rates) may increase, it is an element for controlling the increment of money, that is, an element for controlling rather than facilitating price increases. In short, neither the commercialization of labor nor the socialization of wealth will bring about a great increase in prices, and the formation of the labor market and property right market mechanism will inevitably lead to the increase in labor productivity and the funds utility rate and promote the growth of effective supply. As a result, the demands for consumption and investment will be restrained by the market of major elements and will not swell.

IV. Price Reform Means Overall Deepening of Reforms [subhead]

Although the main problem at present is the problem of prices, that is, commodity prices have been increasing by a big margin and there has appeared a trend of irrational price parity, its profound reason is the prices of major elements and the fact that the market of major elements and the market mechanism have not yet been formed. However, the formation of this market and its mechanism has been obstructed by the old structure, which demands a deepened reform. Only by deepening reform of the labor system and establishing a labor market can we provide people with equal employment opportunities and have remuneration and work match each other; and

only by deepening reform of the wealth system, that is, deepening and regularizing the separation of management and ownership and promoting socialization of wealth, can we provide people with equal opportunities in using funds and landed property and make profits and risks match each other. Only in this way can we achieve a rapid growth in labor productivity as well as in funds and landed property utility rate. With this, we can achieve a rapid growth in effective supply, and we can effectively control the growth of consumption and prevent ineffective investment and the swelling of investment. In short, only in this way can we prevent price increases and root out the fundamental causes in the old structures.

Apart from the cultivation of the market of major elements, which is a fundamental way to solve the price problem, in order to create conditions for freeing commodity prices, it is also necessary to adopt some resolute measures to control the demand for investment and consumption (especially the consumption by groups) and prevent serious losses of wealth in the sphere of circulation. Therefore, a successful road for reform is to carry out reforms of the labor, wealth, and price systems (including the system for the formation of commodity prices) in a coordinated way. This deepens reforms in an all-round way.

'Analysis' Explores Unemployment Situation
HK1110142788 beijing GONGREN RIBAO
in Chinese 28 Sep 88 pp 1, 2

[Article by GONGREN RIBAO reporter Zhang Xuehu (1728 1331 5706): "A Fatal Knock on the Door—Exploration and Analysis of Unemployment in China"]

[Text] In China, workers are often seen arriving at their enterprises half an hour late and leaving ahead of time. A survey conducted by the Institute of Economic Development of the East China Engineering Institute among some 200 entrepreneurs and 1000 staff and workers in 16 trades and professions in Shanghai City showed that some 78 to 98 percent of the enterprises in Shanghai City have surplus labor. The surplus labor accounts for some 14 to 25 percent of the total number of staff and workers in those enterprises. According to conservative estimates, some 0.7 million staff and workers in various enterprises in Shanghai City have virtually nothing to do at present.

We can still remember that in 1985, many people were filled with exultation upon knowing that during the 6th 5-Year Plan, our country employed a total of 35 million people. On 21 September, 1985, the XINHUA NEWS AGENCY issued a report saying that "the conspicuous expansion of the workers' contingent in the towns and townships of our country has become an important indication of the continuous development of the social productive forces." However, what has made people puzzled is that 3 years later, in the process of deepening reform, an unemployment army of nearly 30 million

people has been mercilessly discovered. A report carried by "RENMIN RIBAO" pointed out: "This huge in-service unemployment army has caused widespread concern." Some experts said: If the problem of "in-service unemployment" caused by "extensive employment" could not be resolved, the development of the social productive forces of our country would certainly be hampered. At the same time, "laziness would also erode the Chinese nation's fine tradition of industry like an infectious disease."

A huge surplus labor force staying in the enterprises has obviously hampered the improvement of the labor productivity and caused countless obstacles to our efforts of transforming the extensively operated enterprises into intensively operated enterprises. According to the analysis of the personages in Japan's economic circle, China's labor productivity is only one tenth of Japan's labor productivity; the statistics of China's labor departments show that at present, in Chinese enterprises, the labor time utilization rate is only 49.95 percent; according to calculations of personages in China's economic circle, if we exchange the U.S. dollar into renminbi yuan and pay 100 yuan of wages to Chinese steel workers and 100 yuan to American steel workers, the American steel workers can produce 1.28 tons of steel whereas the Chinese only produce 0.85 tons of steel.

Moreover, the unwieldy labor force will also gradually increase the number of staff and workers on the second and third lines. As a result, enterprises will have to pay a growing number of retired staff and workers and provide all types of services and facilities. In the end, enterprises will become a "small society" in reality as well as in name.

The pressure caused by the policy of "extensive employment" has made it impossible for enterprises to consciously redistribute their labor force according to the needs of increasing profits. This is why a lot of enterprises have been yielding poor economic results. Not only some entrepreneurs but also many workers are dissatisfied with such a situation.

Unemployment is a positive way of increasing the economic results of our country's enterprises. The question faced by China at present is not to admit or deny the existence of unemployment but to adopt effective measures to tackle the problem of unemployment.

Many people have felt it unacceptable to implement such measures as rationalizing labor composition, implementing the two-way selection between the workers and enterprises, allowing optional unemployment (such as waiting for jobs within the enterprises, unemployment at fixed intervals, and unemployment after enterprises declare bankruptcy or are put up at auction). These measures are experiments of positive significance.

In Beijing City, a worker who was declared "temporarily unemployed" rushed into the office of his workshop, snatched the rice bowl from the director and a pancake

from the secretary of his workshop's party branch, saying: "I won't allow you to have your meals since you don't allow me to have mine!"

In Qingdao City, some veteran workers, who had just been laid off in the process of the "rationalization of labor composition," stated that they would rather retire ahead of time than go to the labor service market, saying: "We are the masters of our country and we have never heard of the practice of selling masters."

In Shenyang City, an unemployed worker went to talk to his leader everyday, saying: "I don't know what to do. I can only rely on the organization...."

For decades in the past, such warm remarks as "relying on the organization" were once our unwavering tenet of life. The state assumed responsibilities for all aspects of our daily life from the maternity hospital to the crematorium simply because we were the masters of our country. Now, the state no longer takes care of us in our daily life. Isn't it true that the state has shirked its duty toward us? The concept that we are the masters of our country has changed.

It is quite understandable that people have developed such lopsided psychology and emotions. The past "iron bowl" and "iron post" have been smashed. Unlike the workers, enterprise operators seldom face the danger of unemployment. After the Shenyang Explosion-Prevention Instrument Plant declared bankruptcy, the workers became unemployed. However, the leaders of the plant were not in the least affected by the bankruptcy of their enterprise because they had been sent by the higher authorities and were organizationally affiliated to the higher authorities, thus still enjoying salaries and conditions of service provided by the higher authorities. Strictly speaking, the enterprise operators are still administrative officers. It is impossible for them to become millionaires or lose family fortunes. It is impossible for them to jump to their deaths from high buildings or to shoot their own heads off with pistols just as the enterprise operators in the capitalist countries do when their enterprises declare bankruptcy. Therefore, it is understandable that the workers cannot help asking: "Why do we have to face the danger of unemployment while the leading cadres do not?"

This is the reason why people have developed lopsided psychology and emotions....

One of the hopeful things that happened was: On 12 March, 1984, the Beijing municipal people's government issued a document stipulating: In the future, when employing new workers, enterprises in the city should sign contracts with the new workers and place them on probation for half a year, during which if they fail to observe the terms provided in their contracts, the enterprises have the right to punish or even dismiss them.

The emergence of contract workers is a challenge to the old rigid employment system. Thanks to the emergence of contract workers, the enterprises can now, to a certain extent, carry out self-regulation and self-restriction of their aggregate labor force in the light of their production needs. At the same time, the emergence of contract workers has made it possible for the workers to freely choose their occupations. The statistics of Qingdao City show that more than 200 contract workers in the city refused to renew contracts with their enterprises after their contracts expired and thus became the first batch of unemployed workers in the city. These unemployed workers now account for 7 percent of the total number of contract workers in Qingdao City. There are various reasons for these contract workers to refuse to renew contracts with their enterprises. Some of them were simply willing to become unemployed. A survey conducted by an enterprise in Shanghai City showed that among 27 workers the enterprise has dismissed, 26 are now earning much more than the workers presently employed by the enterprise, one third have become 10,000-yuan households, and one has contracted a town and township enterprise. In Beijing City, an outstanding contract worker chose to terminate his contract with his enterprise because he wanted to further his studies. The leader of the enterprise wrote such a comment on his contract: "All efforts to persuade him to stay here have failed. He still insists on leaving us. We will lose a good employee. It is a pity."

The emergence of contract workers has blazed a new trail for invigorating the system of regular employment and putting an end to lifetime employment under the present system of labor power employment. Beijing City has resolved to turn all its staff and workers presently employed under the system of regular employment into contract staff and workers within 5 years. The reform will first begin with office staff of the enterprises and then workers in the workshops. Beijing City will first try to deprive the enterprise cadres of their "iron posts" and then smash the "iron bowls" of the workers. Beijing City will also make efforts to thoroughly smash the system of "iron wages" and place the cadres and workers in relatively fair competition.

Another hopeful thing that happened was: In 1987, Shenyang City, which is China's old industrial base, carried out an experiment on rationalizing labor composition. At the very beginning, only 10 enterprises were selected for such experiment. Later on, a total of 62 enterprises voluntarily participated. By the end of last year, more than 10,000 workers in Shenyang City had been made redundant. It is expected that by the end of this year, some 70,000 to 80,000 workers will have been made redundant.

Another important measure of enterprise reform is to "shake off" surplus labor.

As early as 1982, some enterprises in Henan Province began carrying out the reform of "shaking off" surplus labor. These enterprises sent their surplus labor to the

second and third lines to do some auxiliary work. Such a practice was called reorganization of labor at that time. However, because the enterprises failed to settle certain issues, such as the issues concerning wages, welfare, personnel system, and so on, in the process of "shaking off" surplus labor, the reform soon had to be called off.

In 1987, in the process of deepening reform, the question of rationalizing labor composition was again placed on the agenda. Along with the reform of rationalizing labor composition, the reform of the wage system, personnel system, and welfare system was also carried out. As a result, the reform of rationalizing labor composition yielded gratifying results. According to the statistics of Qingdao, Shenyang, Harbin, and some other cities, in the first half of 1987, tens of thousands of workers were made redundant in the process of rationalizing labor composition in these cities. By the end of June of 1987, China's total number of staff and workers had decreased by 390,000 compared with that of the previous year. Such a big drop in China's total number of staff and workers had been unprecedented in the history of the PRC.

At the initial stage of the rationalizing labor composition, those who were first "shaken off" were the staff and workers who had violated labor disciplines or had been extremely lazy in their work. Along with the progress of the reform of rationalizing labor composition, the staff and workers who were found incompetent in their work began to be "shaken off" to make way for more competent staff and workers.

Although such "unemployment within enterprises" failed to put an end to the irrational distribution of means of production and labor power, it provided conditions for dominant unemployment and made people feel the crisis of unemployment.

The third hopeful thing that happened was: According to the Shanghai Municipal labor department, along with the gradual deepening of the reform of the labor system and the enterprise employment system, more than 30,000 staff and workers have been made redundant and are now living on social security. The labor department of Shanghai City stated that at present, the unemployment benefit expenditure accounts for less than 5 percent of Shanghai City's total social security fund so that the reform pace can be accelerated still further.

In July of this year, China's Labor Minister Luo Gan pointed out: China should actively establish and develop labor service markets to divert surplus labor from the enterprises to society. Society should be allowed to retain some reserve labor, which will be conducive to introducing the mechanism of competition into the employment field.

According to estimates made by the experts concerned, by the time the rationalization of labor composition is completed, some 10 million workers will have been made redundant in China. Such a big surplus labor force will form a huge labor service market in China.

The labor service market is a new thing that has emerged in the course of enterprise reform. In just over 1 year, the labor service market of Shijiazhuang City succeeded in helping some 20,000 people to find or change jobs. In March of last year, Shenyang City took the lead in establishing the "qualified personnel market" to help a large number of technological personnel whose skills and knowledge cannot be brought into play in their present jobs to change. In January of this year, the first permanent labor service market in Beijing City went into operation and began to play an active role in arranging and transferring the labor force within Beijing City.

Although at present our country's labor service markets are still far from perfect, they provide people with an opportunity to turn recessive unemployment into dominant unemployment. In the process of furthering the reform of our country's welfare, social security, and relief systems, to turn recessive unemployment into dominant unemployment can no doubt be regarded as a positive measure at present.

We must actively implement the positive unemployment system, introduce the mechanism of risk and the mechanism of competition into the employment competition, give enterprises the power to dismiss their employees, and give employees the right to resign from or leave their jobs in order to form a benign circle. In the meantime, we should also establish the mechanism of social regulation of labor force and establish a perfect social security system to greatly invigorate the enterprises of our country.

The new destiny predicts that if a man cannot become the master of his own fate, he cannot become the master of his country and his enterprise.

To the majority of Chinese workers, unemployment is after all an issue concerning few people. To the new generation of Chinese workers, the reform of the labor system and employment system is no doubt a process of self-emancipation. In Guangzhou, optional unemployment has already become a common phenomenon. Because people in Guangzhou have a lot of choices for earning money, very often, the enterprises there have difficulty in finding and keeping staff and workers. In 1987, the enterprises of Guangzhou City had a total of about 20,000 job vacancies. Many staff and workers frequently change their jobs. Some of the staff and workers even deliberately violate labor discipline so that they can be fired by their enterprises. In 1986, Guangzhou City ruled that staff and workers who left their enterprises without obtaining a testimonial could not be re-employed in their neighborhoods within a year. However, in the same year, some 33,000 people in Guangzhou City obtained unemployment certificates through various channels. People simply had two choices: To stay in the enterprises to live on social security and get a low income or to go out into society to earn a higher income by taking a risk. Obviously, the second choice was more

attractive than the first one. To the people of Guangzhou, the "iron bowl" has no superiority at all. People there are trying their best to free themselves from the yoke of the "iron bowl."

Reform has provided new opportunities and new challenges to the working class of our country. Guangzhou people's today means the hinterland's tomorrow. The Chinese workers should re-evaluate their own value and regasp their own fate in the tide of reform.

We acknowledge that this process is a miserable but unavoidable one.

Intellectuals Accept Jobs at Private Enterprises
OW0710202588 Beijing XINHUA in English
0759 GMT 7 Oct 88

[Text] Beijing, October 7 (XINHUA)—More and more Chinese intellectuals are leaving their secure state jobs for private enterprises, today's "GUANGMING DAILY" reported.

Of the 70 nongovernmental technological enterprises founded last year in Shenzhen, China's first special economic zone, more than half have intellectuals in charge, the paper said, adding that many of their clerks have college education.

These educated people find it easy to prove their professional worth, whereas red tape hampered them greatly when they were working in government institutions, the paper said.

A teacher-turned manager of a management consultancy company is doing a brisk business by running training courses for factory directors. Over 3,000 students have studied in the 30 courses he has directed over the past two years.

"It would be impossible for me to do this in a state-run university," he said.

The trend has shifted private enterprises from traditional service trades to institutions involving science and technology, the paper said.

Inventor Receives Multifunction Computer Patent
OW0810021288 Beijing XINHUA in English
1510 GMT 7 Oct 88

[Text] Beijing, October 7 (XINHUA)—A multi-function computer invented by Professor Li Jinkai of Beijing Normal University was recently granted a patent right by China's patent office.

The patent is the first of its kind to be issued in China in terms of language information processing techniques.

Professor Li told a press conference here today that the multi-function computer can process more than a dozen foreign languages, including Japanese and Arabic.

His invention won gold medals at the 15th international exhibition of inventions in Geneva and at a French invention exhibition.

Li's inventions for the encoding of ideographic characters and a phonetic encoding system for Chinese characters received British patent rights in 1985 and 1988.

Professor Li said he had signed an agreement with the China computer development corporation for applying his patents to the home-made "Great Wall" computer series.

Official Admits State Airline Management Weak
HK0810032588 Hong Kong HONGKONG STANDARD in English 8 Oct 88 p 1

[By Tammy Tam, of our China desk]

[Text] A senior official of China's state airline has admitted that poor management might indirectly have caused the crash of a Trident jet at Kai Tak Airport on August 31.

Mr Zhu Decai, chief planner at the Guangzhou bureau of the Civil Aviation Administration of China (CAAC), said management was one of the airline's weakest points and had caused "many other problems."

He did not specify how management problems could have caused the crash, but CAAC has moved since the accident to improve its aircrew training, and a management overhaul is under way.

In an interview with the STANDARD, Mr Zhu said the whole management system of CAAC, especially the quality of management cadres, should be improved.

"We are planning incumbent courses for our management cadres to raise their standard and to renew their knowledge," he said.

Survivors of the Kai Tak crash, which killed seven people, complained that some of the seatbelts did not work, there was no pre-flight demonstration of safety equipment, and crew members did not help passengers after the jet skidded off the runway into the Kai Tak Nullah.

"Although we do not know the exact cause of the crash and whether there were problems with the seatbelts and the stewardesses, I'm sure any such problems could have been avoided under a perfect management system," Mr Zhu said.

He said CAAC Guangzhou was sending cadres, cabin crew and ground staff, as well as pilots, overseas for training.

At the same time, the airline was about to begin an overall structural reform.

"We have to improve the whole management system of CAAC," he said.

Under the current system, a CAAC bureau is responsible for everything from flights and airport operation to staff administration. This mixed responsibility is regarded as a major cause of confusion.

The reforms will aim to separate administration from operations and will separate CAAC Guangzhou from the future China South Airline.

"At present, both the airport and the flying fleet are under the bureau. This situation will change next year," Mr Zhu said.

Structural reform for CAAC as a whole began early last year with three new airlines—China Airline of Bewing CAAC, East Airline of Shanghai CAAC and Southwest Airline of Chengdu CAAC being created.

The fourth, China South Airline, is due to start operations within the first half of next year.

Paper Urges Colleges To Enroll Paying Students
OW0710203388 Beijing XINHUA in English 0748 GMT 7 Oct 88

[Text] Beijing, October 7 (XINHUA)—China's universities and colleges should be encouraged to enroll students who pay their own tuition fees since this will be beneficial to both teachers and students, today's "PEOPLE'S DAILY" reported.

The paper quoted some graduates from the Chinese Academy of Social Sciences as saying that university enrolment of self-paying students is welcomed by students and their parents, as well as by university teachers.

This year more than 4,000 Beijing students who failed the required entrance exam scores for universities and colleges, applied for university study on their own, but only 1,000 vacancies were available, according to reports.

Those who have met the designated entrance exam scores can go to college with tuition fees provided by the state.

Meanwhile, universities and colleges can increase their budgets and raise teachers' incomes by collecting tuition fees from their students, the paper quoted a graduate as saying.

Social Sciences Academy Marks Anniversary
OW0810194188 Beijing XINHUA in English
1611 GMT 8 Oct 88

[Text] Beijing, October 8 (XINHUA)—More than 1,000 schoolmates and friends from all walks of life gathered here today to mark the 10th anniversary of the graduate school of the Chinese Academy of Social Sciences, China's first graduate school of the arts.

Established in October, 1978, the graduate school is also China's major base for conducting academic study and training high-level researchers in the fields of social sciences.

Hu Sheng, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and president of the Chinese Academy of Social Sciences, participated in the celebration and made a speech.

Hu said the past ten years have been a fruitful period for the graduate school, during which 1,777 students with postgraduate and doctors' degrees were graduated.

The graduates are now working in the central government and many other fields across the country as well as being employed at the Chinese Academy of social sciences, the country's major fine arts research institute.

The school has recruited a total of 2,238 students since its establishment in 1978, when the country adopted the policy of reform and opening up to the outside world, he said.

With 34 departments, he said, the school offers 71 specialities in which students can gain a master's degree and 49 categories of study leading to a doctorate.

In recent years, the school has had academic exchanges with universities and institutes all over the world, Hu said.

Hospital Successful With Artificial Insemination
OW0810010888 Beijing XINHUA in English
1611 GMT 6 Oct 88

[Text] Beijing, October 6 (XINHUA)—Over the past year doctors of Beijing Union Medical College Hospital have succeeded in helping 19 women to become pregnant by artificial insemination.

Chao Jian, a urological doctor, said that the 19 out of 35 artificial inseminations carried out by the hospital have proved successful. This is one of the highest success rates in China, the doctor said.

"Artificial insemination is not a sophisticated science," Chao said, "but it's conducive to the stability and happiness of childless families."

The hospital has now set up its own sperm bank.

'CHINA PICTORIAL' Begins New Column
OW0710030288 Beijing XINHUA in English
1257 GMT 6 Oct 88

[Text] Beijing, October 6 (XINHUA)—The "CHINA PICTORIAL," a monthly published in 21 languages for worldwide distributing, opened a new column, "China and the World" in its October issue.

In the column, Chinese and foreign government officials, entrepreneurs, scientists, artists and educators will air their views on the development of China and the world.

The latest issue of the monthly carried an inscription for the inauguration of the column by Premier Li Peng, reading "Let the world learn more about China and I hope that the 'China and the World' column will be welcomed by friends all over the world."

Senior Chinese leaders Hu Qili and Tian Jiyun also wrote inscriptions for the inauguration of the column.

The inaugural column also carried an article by Javier Perez de Cuellar, secretary-general of the United Nations, on the impact of new technology on a nation's development.

The column is being run jointly by the staffers of the "CHINA PICTORIAL" and Doris Wan Cheng, who is the first advisor to the "CHINA PICTORIAL" overseas edition. She is chairman and executive producer of the "Global View" television series in the United States.

'BUSINESS WORLD' Magazine Launched
OW0710025988 Beijing XINHUA in English
1115 GMT 6 Oct 88

[Text] Beijing, October 6 (XINHUA)—A reception was held here tonight to mark the launching of "BUSINESS WORLD," a monthly magazine in the Chinese language jointly published by the London-based South Publications Ltd and the Department of Home News for Overseas Service of XINHUA NEWS AGENCY.

The launch was attended by Chinese Government officials, economists, heads of corporations, foreign diplomatic officials and journalists.

The 52-page monthly carries articles chosen from "SOUTH" magazine on the international economy, finance, trade, and science and technology. It also contains special articles related to China's economy written by Chinese correspondents.

Articles in the first issue of "BUSINESS WORLD" include one on the IMF's new managing director, relations between the World Bank and the United States, international drug trade, world construction and civil engineering, oil research and "secrets of the seabed."

"SOUTH," an English-language monthly launched in 1980 in London, has a unique approach in reporting world economic affairs, finance, trade, and scientific and cultural issues from the perspective of the developing countries. It has offices in New York, Hong Kong, Bangkok, Manila, Karachi and Hamburg and has a circulation in excess of 80,000 copies.

"BUSINESS WORLD" is expected to be read by Chinese economic and planning officials, business executives of import and export corporations and financial institutions, and in universities. Later it will also be marketed overseas.

Humayun Gauhar, president and publisher of "SOUTH," and Rui Yuanru, director of XINHUA NEWS AGENCY's Home News for Overseas Service Department, share the view that the joint venture will help increase cooperation and understanding among the developing nations and between developing and developed countries.

More Forensic Clinics Set Up Across Nation
OW0710141288 Beijing XINHUA in English
1212 GMT 7 Oct 88

[Text] Beijing, October 7 (XINHUA)—China has set up more than 120 forensic clinics throughout the country in recent years.

These clinics provide forensic examinations and medical appraisals which can be used as evidence in court.

Li Ruilan, an official of the Judicial Administration Department under the Supreme People's Court of China, told XINHUA: "The forensic clinics have not been operating very long but they are very efficient in providing reliable scientific evidence and revealing false injuries."

In the Ningxia Hui Autonomous Region, Northwestern China, a young girl, hit in the head by her colleague when they exchanged blows in a dispute, came to the forensic clinic newly opened in the region for a medical appraisal which would help her win compensation.

But after finding that her injury was not serious she ended the dispute.

As most Chinese people have now begun to realize the importance of legal protection, a number of forensic doctors have come out of the courts and public security units to provide services for the general public.

Since 1980, when China's first forensic clinic was launched in Jiangxi Province's Nanchang City, similar clinics have been set up in Hunan, Zhejiang, Hubei and Fujian Provinces, and the Inner Mongolia and Ningxia Hui Autonomous Regions.

Most of the clinics were set up jointly by provincial courts and local hospitals and others were co-established by local legal units and medical colleges.

Dr Liu of the Ningxia clinic voiced his ambition: "Our final goal is to set up a forensic hospital instead of a clinic."

East Region

Anhui's Wuxi City Forms Financial Network
OW0810044788 Beijing XINHUA in English
0229 GMT 8 Oct 88

[Text] Beijing, October 8 (XINHUA)—Wuxi is leading the reform of the financial system with the formation of a financial network centered on the People's Bank of China.

The city has 811 banks, investment and trust companies and credit agencies, nearly 50 percent more than in 1986 when the city was authorized to start the financial reform, the "PEOPLE'S DAILY" reported today.

By increasing the number of financial organizations, the intention was to break the monopoly of the People's Bank, China's central bank, and promote open competition among banks, the paper said.

The banks started to offer such services as trust business and leasing to attract clients. The city also opened money markets and stock exchange markets.

Last year, local banks raised 12 billion yuan through interbank borrowing and lending in arrangements with 184 financial institutions in 25 provinces.

Rising Industrial Development Zone in Fujian
OW1010150288 Beijing XINHUA in English
1233 GMT 10 Oct 88

[Text] Fuzhou, October 10 (XINHUA)—Letting foreign investors operate according to their own conventional practices has proved successful in an industrial development zone in Fuqing County, Fujian Province, county magistrate Qiu Yuqing said here today.

In less than one year, the Rongqiao zone has attracted 140 million yuan (about 38 million U.S. dollars) in foreign investment and the area has expanded from one sq km to four sq km.

Eight foreign-funded artificial leather, shoe-making, glass, chemical, foodstuffs, toy, costume and silk flower enterprises have been approved in the zone.

Their output value is expected to reach 100 million yuan this year, and 90 percent of the products will be exported, said Qi.

The projects and the Chinese partners were chosen by foreign investors of their own accord. They also have the power to decide on the factory designs, engineering, employment of workers and proportion of investment.

They are allowed to invite factory directors, workshop heads and group leaders from Hong Kong, Macao and foreign countries, and manage factories in line with their own traditions, Qiu added.

The zone plans to build 50 shoe-making, 10 artificial leather and three foodstuffs production lines and boost the annual output value to 500 million U.S. dollars within five years.

Fujian Cities To Build Hi-Tech Districts
HK1010135688 Beijing CEI Database in English
10 Oct 88

[Text] Fuzhou (CEI)—The Fujian Provincial Government has recently approved the construction of hi-tech districts in Fuzhou and Xiamen, two key cities in the province.

Fuzhou and Xiamen have favorable conditions for the projects because there are many universities and scientific research institutes there, good economic conditions and favorable policies.

Preparations for construction of the hi-tech districts are under way. The Fuzhou hi-tech districts will be built in an area covering more than ten square kilometers with Fuzhou University at the center. The scientific research items to be undertaken include electronics technology and optical instrument and bio-engineering.

Jiangsu Suspends Capital Construction Projects
OW0910134488 Nanjing Jiangsu Provincial Service
in Mandarin 2300 GMT 5 Oct 88

[Text] The provincial planning and economic commission called a meeting of directors of all city planning and economic commissions on 28 September. The meeting worked out the following stipulations for trimming projects under construction involving investment in fixed assets in Jiangsu: Projects involving fixed assets using 50,000 yuan or more of investment, including projects whose plans have already been scaled down, should be trimmed. With the exception of large and medium-sized projects approved by the State Council, no new projects should be started from now on. Applications for the construction of new office buildings, auditoriums, and guesthouses must be examined and approved [words indistinct]. During the period of trimming projects, examination and approval of suggestions for new projects, regardless of size, as well as statements on planned tasks and feasibility study reports will be temporarily suspended.

The meeting called on all provincial departments and cities to trim projects under their jurisdiction. It is necessary to suspend projects specified in the State Council's emergency circular on trimming projects under construction involving investment in fixed assets, such as projects concerning small cotton and woolen yarn mills, and [words indistinct]. By trimming projects, we should be able to control the scale of investment approved by the state and the province, and strengthen the investment structure in the energy, communications, and major raw and semifinished materials fields. It is

necessary to strive to gear the production capacity of new construction projects to market demand, and to achieve a marked increase in investment returns.

Jiangxi Establishes Anticorruption Center
OW1010001688 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 7 Oct 88

[By reporter Gu Jianqiang]

[Text] With the approval of the Provincial People's Government, the Provincial Supervision Department formally inaugurated an anticorruption report center 7 October. The center's telephone number is 225010.

The main task of the center is to handle accusations of crimes and lapsed discipline regarding corruption, bribery, and power abuse by individuals or units against provincial government departments and their staff personnel, principal leaders of all administrative offices and people's governments of cities directly under the provincial government, and leading cadres of provincial enterprises and institutions who are appointed by the state. At the same time, the center will accept (self defense) by the above mentioned personnel involved in the above cases.

According to an official of the Provincial Supervision Department, accusations of such wrongdoing may be reported to the center through telephone, correspondence, direct meeting, or other forms an informer may choose. In informing the center on such cases, an informer must give his or her real name, working unit, and address, as well as those of the person he or she wishes to report. He or she must also provide the basic facts and pertinent evidence regarding the violation. The center will protect the lawful rights and interests of informers and the accused, and will commend and reward appropriately those who perform meritorious services.

Shandong Keeps Close Watch on Official Conduct
OW1110143988 Beijing XINHUA in English 0257 GMT 11 Oct 88

[Text] Beijing, October 11 (XINHUA)—Corruption-report centers in China's Shandong Province have got 3,874 clues to criminal cases since July, mostly involving government officials, the "PEOPLE'S DAILY" reported today.

The centers have special hotlines and were set up by the people's procuratorates in Shandong Province, in an effort to mobilize the public to keep a close watch on government officials' misconduct such as corruption, embezzlement, abuse of power and neglect of responsibilities, according to the paper.

Based on the clues reported, 248 cases have been put on file for investigation and prosecution. Some serious cases have been settled and the culprits have been charged, the paper said.

Most of the crimes were committed by government officials, managers of enterprises or grass-roots cadres in the countryside, the paper reported.

The corruption-report drive has also made some offenders give themselves up, the paper said.

The provincial procuratorate has also made it a rule to hold briefings to make public the results of cases and to explain the concerned policies and laws, the paper added.

Aviation Bureau in Shanghai To Increase Fleet
HK0710105588 Beijing CEI Database in English 7 Oct 88

[Text] Shanghai (CEI)—East China Civil Aviation Administrative Bureau will purchase five MD-82 planes and three Boeing 757's to beef up its fleet in the next two years, Gao Shichang, head of the bureau announced.

He disclosed that construction for three airports located respectively at Pudong in Shanghai, Yaoqiang in Shandong Province and Changchu in Jiangsu Province will start soon. By the end of this year, Hongqiao Airport in Shanghai will start to build a 28,000-square-metre lounge.

In the coming years, Gao said, the carrying capacity of the bureau is expected to increase to a great extent. Besides the nation's allocations for renovation of the tele-communication facilities of the airports, overseas funds will also be introduced.

It is learned that the aviation bureau has now 17 large and medium-sized passenger planes. Since 1978 its turnover has been increased by 30 to 40 percent every year.

At present, the bureau has 70 international and domestic air routes, including 5 routes from Shanghai to Japan, 2 from Shanghai and Hangzhou to Hong Kong. Fuzhou, Xiamen, Nanjing and Qingdao also operate chartered services to Hong Kong.

Zhejiang Set To Close Profiteering Companies
OW0810123988 Beijing XINHUA in English 0721 GMT 8 Oct 88

[Text] Hangzhou, October 8 (XINHUA)—Over 2,000 companies in east China's Zhejiang Province are being scrutinized for illegal profiteering which could lead to their being closed.

These companies are suspected of reselling goods in short supply for high profits, according to officials of the provincial Industry and Commerce Bureau.

According to a circular issued by the provincial government, businesses will also face closure if they are found to have close links with government departments or are headed by government officials.

The bureau's latest investigation shows that as many as half of the 2,116 companies set up in the first half of this year are funded by governments at different levels or headed by senior officials.

Dock Planned in Zhejiang To Develop Taiwan Trade
HK1010071088 Beijing ZHONGGUO XINWEN SHE
in Chinese 0936 GMT 6 Oct 88

[Report: "Ningbo To Build Mainland's First Special Dock To Develop Trade With Taiwan"]

[Text] Hangzhou, 6 Oct [ZHONGGUO XINWEN SHE]—Ningbo City in Zhejiang is going to invest over 7.9 million yuan in the construction of a dock in Shipu Harbor of Xiangshan County. This will be the first special dock in the coastal areas of the mainland for developing trade with Taiwan. The dock is scheduled to operate by the end of 1990. The news was announced at the joint design meeting chaired by the Transport Committee of Ningbo City.

Shipu Harbor is an important harbor linking the mainland and Taiwan. In recent years, more and more Taiwan fishermen and merchants kept pouring in. From April last year to September this year, nearly 2,115 Taiwan fishing boats and cargo ships went to Shipu Harbor for shelter from typhoons, repair and trade. This number accounts for 40 percent of the total number of Taiwan ships harboring in the coastal areas of the mainland. Early this year, the People's Government of Ningbo City and Xiangshan County decided to open up a processing zone in Shipu for trade with Taiwan. In order to improve the basic facilities of Shipu Harbor and create a good environment for Taiwan vessels to harbor, transport departments of Ningbo City and Xiangshan County have consecutively finished the surveying and preliminary design of the dock in preparation for the formal starting of construction work.

After completion of the construction, the dock will have a capacity to berth one 3,000-ton class cargo ship and one 300-ton class passenger ship together. Taiwan fishing boats can anchor at the dock at any time.

Zhejiang Universities Reform Education System
OW1110144388 Beijing XINHUA in English
0229 GMT 11 Oct 88

[Text] Hangzhou, October 10 (XINHUA)—Universities in Hangzhou have achieved gratifying results in keeping the educational system in tandem with the development of China's commodity economy.

Based on social investigations, many universities in Hangzhou have started course on secretarial work, public relations psychology, enterprise management and international trade.

Students enrolled in the newly-opened departments and disciplines in Hangzhou University this year account for half of its total enrollment.

To train more versatile foreign trade personnel, Hangzhou University, Zhejiang Engineering Institute and Zhejiang Agricultural University offer one- and two-year training courses with the emphasis on foreign trade techniques and foreign languages. Students are selected from among third-year students of all departments.

Graduates from these universities are not only good at foreign trade skills and foreign languages but are also trained in other practical skills.

China's foreign trade will benefit a lot if universities provide more such people for foreign trade departments, said Professor Shen Shanhong, president of Hangzhou University.

The university gives priority to teaching principles and methods that will foster students' ability to study on their own.

As an example of what this can achieve, graduates at the Zhejiang Aquatic Products Institute succeeded in developing a technique for sterilizing clams and saved local producers from bankruptcy in the wake of an outbreak of hepatitis B, which had originated in contaminated clams.

Moreover, in view of the mushrooming growth of township-run enterprises in the province, eight universities have admitted farmers to 26 training courses covering such fields as construction, electronics, textiles and applied chemistry.

Central-South Region

Guangdong Trade Fair Expected To Boost Exports
OW0810122088 Beijing XINHUA in English
1033 GMT 8 Oct 88

[Text] Beijing, October 8 (XINHUA)—The 64th Guangzhou Autumn Export Commodities Fair, with a brand new look and with more goods than ever, is ready for business when it opens next week.

Vice-Premier Tian Jiyun urged various government administrations to give high priority to the fair, saying that it is vital to assist in China's effort to increase exports over the next two years.

The fair, which is due to start on October 15, is expected to draw 10,000 Chinese participants and 30,000 foreign business people.

Wang Pinqing, vice-minister of foreign economic relations and trade, said that foreign trade reforms in the past year have led to more products for export.

Before leaving for Guangzhou, Wang told XINHUA that the total value of goods at the autumn fair will be 20 percent higher than in the spring fair.

The economies of the developed world are expected to grow at 3 percent this year and world trade by 2 percent. This has provided China with a good opportunity to promote exports.

Zhou Chuanru, director of the Ministry of Foreign Economic Relations and Trade's Import and Export Bureau, said that China's electrical machinery exports are expected to reach four billion U.S. dollars this year.

The markets for China's light industry goods and arts and crafts are stable, Zhou said. But supplies of grain, cereals edible oils, native and animal products, nonferrous metals, coal and silk are falling short of demand.

Growing trade protectionism has led to a decline in the prices of textiles. As a result, Zhou said, China's textiles exports have dropped.

Local trade analysts expect the value of transactions in the autumn fair to equal or exceed the 4.7 billion U.S. dollars at the spring fair.

According to MOFERT statistics, China's exports totalled 30 billion U.S. dollars by the end of September, 14.1 percent higher than the same period last year.

Despite the quick growth rate in the last few years, Wang Pinqing said, China's exports account for only 1.4 percent of the world total trade value.

Vice-Premier Tian Jiyun urged the 400 foreign trade officials who gathered here for a meeting this week to work for more export orders.

Guangdong To Export 328 New Technological Items
HK1010130688 Beijing CEI Database in English
10 Oct 88

[Text] Guangzhou (CEI)—Guangdong will offer 328 items of new technology for export at the First National Technological Foreign Trade Fair to be held in Shenzhen, a special economic zone, from October 15 to 25.

They account for 10.5 percent of the total of such experts at the fair.

Of the 328 items, 30 are related to agriculture, forestry, animal husbandry and fishery, 42 to machinery, 29 to electronics, 19 to apparatus and meters, 37 to chemical industry, 51 to light industry, 22 to architecture and building materials, 17 to water conservancy and power, 23 to medicine and health, and 29 to computer appliance.

An official from the Foreign Economic and Trade Commission of Guangdong Province said the figure only accounts for a small part of the export-oriented technology in the hands of Guangdong.

From 1980 to 1987, 3,500 important technological achievements were made in the province. According to incomplete statistics, 32 items have been exported to 15 countries and regions during the past nine months.

Guangdong Checks Foreign Investment Projects
HK1110144288 Hong Kong WEN WEI PO
in Chinese 11 Oct 88 p 1

[Dispatch from Correspondent Tan Tan-hui (6223 0030 1979) from Guangdong on 10 October: "Guangdong Takes Stock of Investment Projects With Foreign Connections"]

[Text] A responsible official of the leading group for examining the capital investment projects in Guangdong Province told this reporter that this time the examination will also include capital investment projects involving foreign funds, but all contracts with foreign companies will be fulfilled resolutely and action will be taken according to the Chinese-foreign joint venture law.

Guangdong is widely involved in economic and technological cooperation with foreign companies, and many investment projects involving foreign capital are under construction or under negotiation. According to the sources, the newly established leading group for examining capital investment projects is headed by Provincial Governor Ye Xuanping as the chief of this group, and Vice Governor Yu Fei as the group's deputy chief. This group has begun to investigate all the capital investment projects, including those involving foreign investments. Then, it will work out Guangdong's measures for cutting down on the scale of capital investment as soon as possible in light of the State Council's circular on adjusting the investment structure and in light of the specific conditions in Guangdong so as to rectify capital investment in an all-around way. According to the sources, the basic principles for projects involving foreign investment are: Continue to faithfully fulfill the contracts on the Chinese-foreign joint ventures and cooperation projects which have been ratified; postpone the negotiations and suspend the construction of projects falling into the retrenchment category, on which no official contracts have been signed (or only protocols have been signed); continue to encourage foreign businessmen to invest in the raw material, energy, transport, and communications projects which are now badly needed in our country.

The responsible official said that to be frank, the all-around investigation and adjustment of capital investment projects will, to a certain extent, affect the business of foreign investors, but the adverse impact will be very slight, and we will continue to seriously implement the

Chinese-foreign joint venture law and will continue to pursue the opening up policy as before and continue to promote foreign economic cooperation.

Guangdong Lists Measures To Curtail Land Use
HK1010100888 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 9 Oct 88

[Text] At a recently held provincial conference on registration of land use, Vice Governor Ling Botang of our province pointed out: At present the province's land administration departments should play a supervisory role in curtailing the scope of capital construction, stabilizing the market and commodity prices, and guaranteeing the area sown to grain crops in accordance with the principle of improving the economic environment, rectifying the economic order and deepening the reforms in an all-around way set forth at the 3d Plenary Session of the 13th CPC Central Committee.

Ling Botang stressed: Governments and land administration departments at all levels must at present focus their effort on the following six aspects of work. 1) A check must be conducted on use of nonagricultural land after the land law was put into effect 2 years ago. 2) Approval for use of land must be strictly controlled and no approval should be, on principle, given to use of land for construction of office buildings, large halls and guest houses. 3) In the course of putting use of land in order, land for projects whose construction has been halted and land which has been requisitioned but not used should be returned. If the returned land can be used again as farmland, it should be used for that purpose, and if it ought to be readjusted it should be readjusted accordingly. 4) Land along the railway line which has been wantonly occupied and used should be returned, and establishments on them should be dismantled. 5) Support must be given to application of land used for building enterprises with foreign capital, overseas Chinese capital and with both Chinese and foreign capital. However, planning must be strengthened. 6) Non-cultivated land should be used as much as possible in building schools, hospitals and residents for military and civilians alike.

Guangdong Airport Undergoing Modernization
HK0810032788 Hong Kong HONGKONG STANDARD in English 8 Oct 88 p 6

[By Tammy Tam]

[Text] Guangzhou's Baiyun Airport, one of China's three international airports, is being given a facelift.

A big modernisation scheme has been put into operation with high-tech equipment imported to put it on par with international airports around the world.

The other two international airports in the country are Beijing Airport and Hongqiao Airport in Shanghai.

"Baiyun Airport is now the busiest airport in China. More than 150 aircraft land or take off here everyday. During peak seasons, the number of aircraft even reach 200," said Mr Tao Wenda, head of the Navigation Department at Baiyun.

The first step in the modernisation plan is to give the air control tower a new look with advanced equipment.

Air controllers in Guangzhou who have to be graduates from an aviation institute are now working a "four-member or five-member" crew system with U.S. navigation instruments.

"This equipment was introduced about five years ago, so we are considering replacing it with a newer system which we hope will arrive next year," Mr Tao added.

"We have also sent one air controller to attend a three-month training course in Australia. In China air controllers are transferred to ground work after they reach 35 because we need only quick-minded young people operating air traffic," Mr Tao explained.

Referring to the recent Kai Tak crash of a Trident belonging to the Civil Aviation Administration of China (CAAC), Mr Zhu Decai, chief planner of CAAC's Guangzhou Bureau said: "Air traffic control is a key point for the safety of aircraft. The weather information it provides also plays an important part. Although no accident has occurred in our airport, we intend installing advanced facilities at our airport."

In the Weather Center of the airport, deputy chief Zhou Yizhou told the STANDARD that permission had been granted and a budget approved for the importation of a new set of U.S.-made radar equipment for weather forecast.

The center now has a Guilin-made I-13 Radar, which is the best radar equipment available in China.

"The I-13 is very good and has helped us a lot. Once we have the U.S. radar equipment as well the efficiency of the centre will improve tremendously," Mr Zhou said.

"We are now working on a direct-dialogue system in which aircraft flying over or coming into land at the airport receive weather information the 24-hour broadcast direct.

"The project is sponsored by UNESCO and will be completed early next year," Mr Zhou added.

To turn Baiyun into an airport of international standing a new international boarding terminal is being constructed with work expected to be completed next August.

"I've been to many places in the world, and I think Chicago airport is the best. My hope is that Baiyun Airport will one day rank as one of the top airports in the world," Mr Zhu Decai said.

Guangxi To Check Up on Taxes, Finances, Prices
HK1010110688 Nanning Guangxi Regional Service
in Mandarin 1100 GMT 8 Oct 88

[Excerpt] This morning the regional people's government called a regional work conference for a general check up on taxes, finances and prices. Wei Chunshu, deputy secretary of the regional party committee and chairman of the regional people's government; and Vice Chairman Cheng Kejie addressed the meeting.

The meeting specified the tasks, demands and policies for this year's general checkup on taxes, finances, and prices and made arrangements for strengthening leadership over the checkup. The checkup will be focused mainly on violations of law and discipline conducted in 1988 by state-run, collective, private and associated enterprises as well as administrative institutions and individual industrial and commercial units; and on violations of law and discipline conducted in 1987 but not checked up and corrected. The general checkup should be conducted on: 1) tax evasion; 2) violations of rules and regulations such as indiscriminate squeeze of costs, hidden profits, fictitious losses, and withholding incomes which have to be submitted to the higher authorities; 3) offenses against state price policies, exploitation of the loophole of the double-track price system, and resale of major means of production and much-sought after goods; 4) the unwarranted issuing of bonuses and allowances in cash or in kind and the malpractices of giving lavish dinner parties and gifts at the expense of public funds and wantonly using funds for consumption. [passage omitted]

Henan Meeting To Launch Price Inspection Held
HK0710102088 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 6 Oct 88

[Text] On the morning of 4 October, the provincial government held a meeting to arrange a major price inspection. A total of 17 price inspection groups organized by the provincial party committee and government all departed yesterday for different cities and prefectures in the province.

During the above meeting, Vice Governor Qin Kcai pointed out: With regard to the issue of major price inspection, all of us must seek a common understanding, act in unison, take the whole situation into consideration, and observe discipline. We must resolutely keep in line with the central authorities and carry out the CPC Central Committee's decision to the letter. All local authorities must take the current major price inspection as a key task and must never simply go through the motions. It is necessary to seriously handle all exposed cases. Through this price inspection, we will surely curb

the practice of jacking up prices and keep down the price level in the next 3 months, so that next year's price index will be substantially lower than this year's. We must establish and improve, step by step, the price control, supervision, and guarantee system and the market price regulating mechanism, and thus establish a new order of the socialist commodity economy.

The current major price inspection will involve all state-owned enterprises and service units and all collective-run and individual-run industrial and commercial establishments. The inspection will be carried out throughout the province, with the focal point placed on large- and medium-sized cities and with the stress laid on the handling of the case concerning the practice of arbitrarily jacking up prices in the panic purchase craze since last August. Retail sale and wholesale commercial units which have jacked up prices, illegally resold commodities, and engaged in hoarding and speculation; industrial and mining enterprises which have wantonly raised ex-factory prices; and local governments and competent departments which have overstepped their authorities in changing prices will all be investigated during the current price inspection.

The current price inspection will follow the principle of integration of self-inspection and report by enterprises and preliminary investigation into major cases and that of integration of accusation by the masses and professional inspection. All localities must set up special letter boxes and telephone hot lines for reporting purposes and publicize the addresses of the offices of inspection groups and other price regulating and industrial and commercial departments. All cases exposed must be verified case by case and be seriously handled. In October, the price inspection will be focused on investigation into cases of arbitrarily jacking prices during the panic purchase craze, with a view to checking the price rise. After that, the major price inspection will be carried out in depth along with the major inspection of financial and taxation work.

To ensure that the current major price inspection will proceed smoothly, the provincial party committee and government have organized commodity price regulating, industrial and commercial, public security, auditing, financial, and taxation departments to work together, and have invited the provincial people's congress, the CPPCC provincial committee, and democratic parties, as well as trade unions, the CYL, retired cadres, the consumers' association, and representatives of university and college teachers to participate in the operation. A total of 17 inspection groups were formed, and they departed on 6 October for different localities in the province to supervise and guide the price inspection.

Measures To Control Monetary Market in Henan
HK1010151488 Zhengzhou Henan Provincial Service
in Mandarin 1030 GMT 10 Oct 88

[Text] To implement the central policy of controlling money supply and stabilizing the circulation of money, Zhengzhou City recently adopted some measures to strengthen financial work.

This year the financial situation in Zhengzhou as a whole is good but some problems which merit attention have appeared. The major problems are: a sharp increase in loans, an amount of bank savings lower than the previous year, a slow withdrawal of currency from circulation, and a tight money market.

To cope with such a situation, Mayor Hu Shujian called on, at a conference on financial work held on 6 October, all persons in charge of finances and enterprises to get a clear understanding of the situation, achieve unity of thinking, strengthen cooperation with each other, and overcome difficulties through concerted efforts.

The mayor also called for tightening control over cash, speeding up withdrawal of currency from circulation, trying hard to increase bank savings, recalling overdue loans, readjusting the credit structure, strictly curtailing the scope of credit operations, making a thorough inventory of warehouses and tapping potential, and working hard for a quicker turnover of funds.

Hubei To Straighten Out Anomalous Companies
HK1010014788 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 9 Oct 88

[Excerpts] The provincial government today summoned the principal responsible persons of the provincial departments to a meeting to carry out a further mobilization for the provincial organs in taking stock of and straightening out companies where there is lack of division between government and enterprise functions and of the business activities of party and government cadres, and in investigating and dealing with profiteering officials.

Governor Guo Zhenqian made an important speech. He sharply pointed out that, in taking stock of and straightening out companies and investigating and dealing with profiteering officials, the provincial departments, especially those of the provincial party committee, government, People's Congress Standing Committee, and CPPCC, and the 40 organs and subordinate units of the provincial government must take the lead in stocktaking and set an example. Otherwise, we will have no reason or qualification for supervising, inspecting, and guiding the stocktaking throughout the province.

Guo Zhenqian first summed up the situation since August in taking stock of and straightening out companies where there is lack of division between government and enterprise functions. He said that although the provincial units have relayed and implemented instructions on this work, taken some action, and made some initial progress, generally speaking there is lack of understanding, failure to grasp the work tightly, ineffective measures, and slow progress. Some people are still waiting and looking around.

The recent 3d Plenary Session of the 13th CPC Central Committee emphasized that the work of straightening out and stocktaking must be grasped as a major content of improving the economic environment, rectifying the economic order, and comprehensively deepening the reforms. Regarding this major affair with a bearing on the overall situation, we must unify our understanding and action, bear the whole situation in mind, strictly observe discipline, and rapidly take decisive action to resolve this problem properly. [passage omitted]

The provincial party committee and government reiterate that, no matter whether they were approved and registered in the past, party and government organs and party and government cadres are not permitted to engage in business and run enterprises. Party and government organs engaging in business must cease to do so immediately, and their illegal income must be turned over to the finance departments. Party and government cadres, including retired cadres, holding concurrent posts in enterprises must resign from those posts, including honorary posts. The principal responsible person of each unit must personally grasp this work. This is an important content of examining the leading cadres. [passage omitted]

Vice Governors Zhang Huainian, Xu Penghang, and Han Hongshu attended the meeting.

New Hunan Rules Protect Informants
OW0710232288 Beijing XINHUA Domestic Service
in Chinese 0834 GMT 5 Oct 88

[Text] Changsha, 5 Oct (XINHUA)—The General Offices of the Hunan Provincial CPC Committee and the provincial government recently promulgated rules on the protection of those who inform against others. The responsible comrades of departments at various levels are required to regard the protection of informants as one of their important duties, to take protective measures in this regard, and to investigate and deal severely with those who retaliate against informants.

It is pointed out in the rules: The contents of cases exposed in letters from people or in complaints they make when they call must not be revealed, nor must the names of the accusers be disclosed before the cases are thoroughly investigated. Violators will be criticized, educated, or disciplined according to the seriousness of their individual cases. Cases of those who are informed against should be referred to a higher organization for handling, and it is strictly forbidden to refer cases to units or individuals that are involved in such cases. Those who have an interest in such cases should withdraw. If a case is not promptly or fairly handled and causes unfavorable consequences because its handler postpones the handling of the case for no reason or deliberately shields someone by absolving him from blame, creating a false impression, or producing false evidence, the case handler should be dealt with according to party or administrative discipline or may be

investigated for his legal responsibility. Unless permitted by the law, no anonymous letters that inform against some persons should be checked for their handwriting, nor should their writers be traced. Those who trace the writers of anonymous letters without authorization and retaliate against the latter must be investigated and dealt with severely. Those who render meritorious service by informing against others should be commended and rewarded. Typical case of educational significance should be publicized in the press.

Hunan Develops Individual, Private Economy
*HK0810055788 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 7 Oct 88*

[Excerpt] Hunan's individual and private ownership economy has developed in a sustained and steady way during the 10 years of reforms. By now, the province has 786,000 individual industrial and commercial enterprises employing over 1,144,000 people. These units possess 1.28 billion yuan in capital. Since 1983, they have turned over 10 billion yuan in tax revenue to the state. The following characteristics have emerged in the development of individual and private ownership economy in the province:

1. It has spread from the rural areas to the towns. Before 1978, most individual entrepreneurs were in the rural areas. By last year, 37,000 peasant households had moved into the towns.

2. It has developed from the circulation to the production fields. By 1987, the number of individual units engaged in industry and handicrafts had risen to 79,000 with 198,000 people working there, and output value approached 500 million yuan. The number of individual units engaged purely in commerce has declined from 84 percent to 58 percent of the total.

3. It has developed from individual traders and hawkers to privately run enterprises. According to an investigation, the province now has 2,421 privately run enterprises employing 8 or more persons; their total employment figure is 33,800. Adding enterprises which are nominally collective but actually private, the number of private-ownership enterprises in the province exceeds 50,000, and their capital is not less than 500 million yuan.

4. Some of the privately-owned enterprises have developed from domestically oriented to export oriented. The products of a few of these enterprises have now entered the international market.

The first provincial seminar on the theory of individual and private ownership economy, aimed at providing theoretical guidance for the healthy development of such economy, concluded in Changsha on 7 October. Liu

Zheng, deputy secretary of the provincial party committee and chairman of the provincial CPPCC; (Xia Zhanzhong), member of the Standing Committee of the provincial party committee and director of the propaganda department; (Zhou Naishan), member of the provincial CPPCC Standing Committee; and responsible persons of the provincial academy of social science and the provincial association of individual laborers attended the seminar. [passage omitted]

Southwest Region

Sichuan Government Views Economic Measures
*HK0910053188 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 8 Oct 88*

[Text] The provincial government recently convened its 5th plenary meeting to seriously study the communique of the 3d Plenary Session of the 13th CPC Central Committee and propose measures and steps for implementing the spirit of the session in conjunction with Sichuan realities.

The meeting held that, in common with the whole country, the general economic situation in the province is good, with social stability and urban and rural market prosperity. However, there are also many difficulties and problems. The outstanding one is that prices have risen too much, and the fundamental reason for this is that the economy is overheated and total social demand is out of balance with supply.

In accordance with the guiding principles, policies, and measures of the 3d Plenary Session, the participants made an analysis and obtained a clear picture of the situation. They resolved to maintain a high degree of unity with the central authorities, sum up experiences, and continue to advance still better.

The meeting held: We must fully understand the importance and urgency of resolutely curbing inflation, and properly solve the problems of economic overheating and of competing in growth rate. The meeting pointed out: Improving the economic environment mainly means reducing total social demand, and the key lies in cutting capital construction and consumption, especially institutional purchasing power, strictly controlling credits and loans, and cutting back excessive growth rate. In rectifying the economic order, we must rectify the various phenomena of confusion that have emerged during the switch from the old to the new systems. The focus here is on resolutely rectifying chaos in the circulation field, straightening out companies, punishing official profiteers, and establishing a circulation order for major products as quickly as possible.

We must strive to develop production and increase effective supply. We must in particular solve the problems of grain and the food basket.

Improving the environment is not a light task. We need to make the necessary sacrifices. The greater the difficulties, the more must we help each other, being in the same boat; we cannot have everyone going their own way, and still less can we do things that benefit the partial and damage the whole.

The meeting resolved to base all work on the province's conditions, press forward in the face of difficulties, resolutely implement the central guidelines and policies, and strive to get a sound grasp of industry, agriculture, commerce, finances, and all other work in the fourth quarter and to make earnest arrangements for next year's reforms and construction. The meeting put forward 10 measures for this work, laying stress on implementing the general guideline of improving the economic environment, rectifying the economic order, and comprehensively deepening the reforms, to enable work in the province to achieve new progress.

'Checkup' on Sichuan's Economy Called For
HK1110031288 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 10 Oct 88

[Text] Yesterday night the provincial government called a phone conference to arrange a general checkup on taxes, finances and prices throughout the province.

Speaking at the meeting, Vice Governor Xie Shijie emphasized: The checkup of this year should be regarded as a major measure to improve the economic environment, rectify the economic order, and deepen the reforms in an all-around way. Forces of all fields should be fully mobilized to conduct the check up without delay and achieve remarkable success.

The meeting also called on all localities to concentrate the checkup on key enterprises, units and departments. Concretely speaking: 1) The check up must be focused on central enterprises, enterprises affiliated with the provincial authorities, and other large enterprises. 2) All types of companies including trading, financial, technology-development, labor service, and conglomerate companies should all be evaluated. 3) A check up must be conducted on departments in charge of economic affairs, and on offices and units which can earn incomes through different channels.

The checkup will start in October and will be completed before the coming Spring Festival.

Sichuan Meeting on Machine-Building, Electronics
HK1010005188 Chengdu Sichuan Provincial Service
in Mandarin 2300 GMT 9 Oct 88

[Excerpt] A provincial conference on invigorating the machine-building and electronics industries, convened by the provincial government, opened in Chengdu on 7 October. Governor Zhang Haoruo and Machine-Building and Electronics Vice Minister Zhao Mingsheng made important speeches at the meeting on 9 October.

Zhang Haoruo said that invigorating the machine-building and electronics industries is a major issue of strategic significance for invigorating the province's entire economy and also for promoting the development of these industries in China. In invigorating these industries, it is essential to have clear goals, break through focal points, and take advantage of strong points. The basic goals in invigorating these industries are: 1) Lose no time in switching the focus of enterprise reform to within the enterprises and establishing a new enterprise operational mechanism. 2) Apply an optimum combination of the vital factors of production to promote output of strong-point products, and promote the improvement of economic returns through consolidating enterprise groupings. 3) Base efforts on key enterprises, import advanced technology, and speed up the pace of technological progress. 4) Step up international economic and technological cocoperation, expand the export of machine-building and electronics products, and actively join the great international economic circle. [passage omitted]

Television Receiving Stations Planned in Tibet
OW0910050288 Beijing XINHUA Domestic Service
in Chinese 0725 GMT 8 Oct 88

[By correspondent Su Rong]

[Text] Lhasa, 8 Oct (XINHUA)—The state will appropriate special funds to build a number of ground stations to receive satellite-transmitted television programs for Frontier Guards in Tibet. With the completion of these stations, the Frontier Guards stationed at mountain outposts will be able to watch the Central Television Station's programs all year round. This will put an end to the period during which all that these Frontier Guards can look at are their fellow soldiers in the daytime and stars in the sky at night.

This project, aimed at receiving satellite-transmitted television programs on the plateau, consists of 80 3-meter-tall [san mi 0005 4717] ground receiving stations that can be disassembled. The entire project is expected to be completed in 3 years. While 18 stations will be built this year, 50 others will be built in 1989. The work for 1990 will be the construction of the remaining 12 stations and the general inspection of the entire project.

For the purpose of building this project to enable officers and men to watch television on the plateau, a joint work team was formed by responsible comrades of the departments concerned of the Tibet Military District and the Tibet Autonomous Region. Since the end of last year, the team has traveled some 6,000 kilometers to go deep into the frontier areas to make on-site surveys. Now, the locations of the ground receiving stations for PLA units on the first and second lines have been selected. Each year, based on the progress of the project, the State Planning Commission will appropriate funds for the PLA units involved in the construction of these stations.

Local Official Urges Tibetans To Pay Taxes
HK1110091688 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 10 Oct 88

[Excerpts] Taxation work in our region still needs to be improved though its tax revenue increased from 17 million yuan in 1980 to 86 million yuan in 1987. [words indistinct]

This was revealed by a deputy director of the region's tax bureau when he gave a briefing on his work to responsible comrades from the supervisory committee of the regional people's congress. [passage omitted]

He continued: Taxable items in our region are much more less than categories of taxation promulgated for other parts of the country and tax rates in Tibet are also much lower than other areas. [passage omitted] Nevertheless, tax revenue in Tibet still registers an average annual growth rate of 10 percent mainly because of the increase of taxpayers. Now taxpayers from state-run and collective enterprises have increased to 1,202 and 1,803, respectively, and there have been 15,481 taxpayers from individual industrial and commercial units. [words indistinct] From January to September this year alone, the amount of taxes collected throughout the region came to over 62 million yuan. Of this amount, industrial tax payment increased by 1.73 million yuan, a 55.5 percent increase over the same period last year.

The tax bureau official also said: We follow some special tax policies characterized by less tax items and low tax rates, but there is still tax evasion. Therefore he hoped vast numbers of the people and enterprises will enthusiastically respond to his call to pay taxes to the state.

North Region

Tourist Hotels 'Mushrooming' in Beijing
OW0710090388 Beijing XINHUA in English
0722 GMT 7 Oct 88

[Text] Beijing, October 7 (XINHUA)—Tourist hotels are mushrooming in the capital of China despite a recent attempt by the central government to curb capital construction.

According to a report in today's "CHINA YOUTH NEWS", 36 of the 38 hotels and guest houses under construction in Beijing are linked up with ministries and departments under the State Council, and none of the 38 belong to the tourism industry.

Twenty-eight of the new hotels are joint ventures which will be exempt from income and import taxes in the first three years after completion.

In addition, foreign partners in the joint ventures will be given the go-ahead to take charge of designing, interior decoration and management.

Chinese-owned hotels do not have such privileges.

Under joint-venture regulations, hotel owners should invest at least 25 percent of the total construction capital; the rest of the funds usually comes from Chinese bank loans.

With possible Chinese shareholding in the foreign businesses, hotel groups from abroad may in fact contribute a smaller percentage of the investment to the new hotels than they claim, while enjoying all the privileges granted to joint ventures.

Said the report: "Foreign business people are thriving on their own money; the Chinese are making money for themselves out of the state funds."

A survey of the city's 19 tourist hotels shows that the occupation rate dropped from last year's 90 percent to 81.8 percent this year, with a loss of 2,870 yuan (about 776 U.S. dollars) per room, according to the report.

Experts believe large hotels in the city are expanding twice as fast as the number of guests, and the average occupation rate is expected to plummet to between 50 percent and 60 percent by 1990.

Government officials in charge of capital construction say they are working under considerable pressure, because "behind every new hotel there is a senior cadre."

It is expected that the State Council, China's highest governing body, will take tougher measures to slow down the construction of new hotels.

Beijing Sets Up Environmental Protection Fund
OW0710131988 Beijing XINHUA in English
0916 GMT 7 Oct 88

[Text] Beijing, October 7 (XINHUA)—The Beijing government established a fund yesterday to assist efforts to spread information about environmental protection, according to today's "BEIJING DAILY".

Vice-Mayor Zhang Baifa has been made chairman of the fund and Wang Renzhong, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, and Mayor Chen Xitong have been made honorary chairmen.

The newly-established fund will publicize and disseminate information on environmental protection to help raise people's understanding of the importance of environmental protection. It will also promote exchanges with overseas counterparts.

Hebei Holds Conference on Market Prices 20 Sep
SK1010003488 Shijiazhuang HEBEI RIBAO
in Chinese 21 Sep 88 p 1

[Excerpts] On the evening of 20 September, the provincial party committee and the provincial government held a telephone conference, calling on all localities and relevant departments to adopt effective measures to stabilize markets, control prices, and resolutely investigate and handle the ill practices of arbitrarily raising prices and collecting fees.

Recently, the provincial party committee successively convened two standing committee meetings and the provincial government sponsored a routine work conference to specially study the measures to stabilize markets and investigate and check arbitrary price hikes. On 19 September, the provincial party committee and the provincial government issued an emergency circular on resolutely checking and handling arbitrary price hikes. On the evening of 20 September, the provincial party committee and the provincial government again held a telephone conference participated in by principal leading party and government cadres with a view toward making further arrangements.

Present at the conference were leading comrades of the provincial party committee, the provincial People's Congress Standing Committee, the provincial government, the provincial CPPCC Committee, and the provincial discipline inspection commission. Ye Liansong, member of the Standing Committee of the provincial party committee and vice provincial governor, presided over the conference. Li Wenshan, deputy secretary of the provincial party committee; and Zhang Runshen, vice provincial governor, gave speeches at the conference.

In line with the guidelines of the study of the provincial party committee and the provincial government, Zhang Runshen put forth his opinions on arranging market supply, resolutely ending the unhealthy practices of arbitrarily raising prices and collecting fees, and basically maintaining the stability of market prices.

After illustrating the need to correctly understand market stability and price control, he said: Viewing the current situation, we know that arbitrarily raising prices and collecting fees are problems with general characteristics. It will be difficult to end these unhealthy practices if we rely only on the efforts of price and industrial and commercial administrative departments. Only when party committees and governments at various levels rely on the masses, mobilize the masses to inform on and expose unhealthy practices, to build momentum, and to concentrate several months on grasping unhealthy practices can they make substantial achievements in this regard. [passage omitted]

The fundamental measure for ensuring the stability of market prices is to develop production. Toward this end, industrial departments and all enterprises are urged to

vigorously increase the production of readily marketable commodities, particularly, the people's daily necessities. We should try every means possible to support enterprises concerning the supply of raw materials, water, electricity, and funds to create external conditions for industrial enterprises. [passage omitted]

Zhang Runshen pointed out: Market prices are related to each and every household and all fields and comprise an extremely difficult task. Party committees and governments at various levels should consider it a great matter and conscientiously grasp it. All principal economic departments and all enterprises and establishments should strictly enforce regulations on goods prices, proceed from the interests of the entire situation, strictly enforce discipline, and strictly enforce orders and prohibitions. State organizations and enterprises should resolutely reduce administrative expenses, strictly control group purchases, and not take part in panic buying or rush to buy commodities in short supply in the name of seeking material benefits for staff and workers. [passage omitted]

The provincial party committee and the provincial government called on the vast number of party members, cadres, and the masses throughout the province to unite as one, make concerted efforts, and allow reform to play a dominant role in the overall work, increase production, ensure a good market supply, stabilize market prices, and make contributions toward promoting stable economic growth.

Hebei Construction, Commerce Groups Meet
SK0910063088 Shijiazhuang HEBEI RIBAO
in Chinese 20 Sep 88 p 1

[Text] The third congress of the Hebei provincial committee of the China Democratic National Construction Association and the sixth congress of the Hebei Provincial Federation of Industry and Commerce were held in Shijiazhuang City from 14 to 19 September.

Leading comrades of the provincial party committee, the provincial People's Congress Standing Committee, the provincial government and the provincial CPPCC Committee, including Li Wenshan, Ye Liansong, Hong Yi, Xu Chunxing, and Wang Shusen, and responsible persons of various democratic parties, relevant government departments, and mass organizations attended the meeting to extend congratulations.

Li Wenshan gave a congratulatory speech on behalf of the Hebei provincial party committee. He highly praised the outstanding contributions that the organizations at all levels of the provincial committee of the China Democratic National Construction Association and the provincial Federation of Industry and Commerce and the broad masses of members have made. They made outstanding contributions to participating in and discussing political affairs, serving the province's economic construction,

safeguarding the province's political situation of stability and unity, developing the patriotic united front, and promoting the motherland's peaceful reunification. He hoped that the China Democratic National Construction Association and the Federation of Industry and Commerce would continue to create new ways and spheres to serve economic construction. He called for fully using the influence of the members to have all types of contacts with Taiwan, Hong Kong, Macao, and foreign countries. He also called for contributing to importing foreign capital, technology, equipment, and projects and accelerating the pace of developing the export-oriented economy in Qinhuangdao-Tangshan-Canzhou coastal open areas. He proposed that efforts be made to gradually improve the political system of multi-party cooperation and consultation under the leadership of the Communist Party; to promote the fine traditions of standing together through thick and thin with the Communist Party, traditions formed during the long-term revolutionary struggle; to serve as friends who will give forthright admonition to the party; and to work with one heart and mind with the Communist Party to jointly share risks, overcome difficulties, and pioneer the great cause during the crucial period of deepening reform.

The congresses called on all organization levels of the provincial committee of the China Democratic Construction Association and the Federation of Industry and Commerce and the broad masses of members to resolutely implement the basic line of the initial stage of socialism under the leadership of the Hebei provincial party committee and the central committees of the China Democratic Construction Association and of the Federation of Industry and Commerce. They were also called on to work closely on economic construction; to struggle in unity; to advance indomitably; and to exert greater efforts to contribute to reunifying the motherland, building socialism with Chinese characteristics, invigorating Hebei, and realizing our province's economic development strategy for coastal areas.

At the end of the congresses, the United Front Work Department of the provincial party committee held a tea party to entertain representatives to the congresses.

Family Planning Group Established in Hebei 15 Sep
SK0910235488 Shijiazhuang HEBEI RIBAO
in Chinese 16 Sep 88 p 1

[Text] With a view toward strengthening leadership over the provincial family planning work, the leading provincial group for family planning was established on 15 September. The group held its first meeting that day.

The leading provincial group for family planning consists of responsible comrades of the 19 provincial-level departments and units closely related to family planning work. Li Wenshan, deputy secretary of the provincial party committee, was appointed to head the group and Wang Zuwu, provincial vice governor, was appointed deputy head.

At the meeting, Li Wenshan said: The leading provincial group for family planning was established according to a decision by the Standing Committee meeting of the provincial party committee on 9 June. Implementing family planning constitutes the basic national policy of our country. Population control has a bearing on the overall situation of economic and social development and the issue of population is, in essence, an economic issue. Our country has joined the ranks of the world's best in the output of many products, however, our country ranks 100th and even lower in the per capita amount of products. Therefore, in mapping out economic development strategy, we must accelerate the sense of "per capita amount," and adhere to simultaneously grasping production and population—that is, not only vigorously develop the economy, but also strictly control population growth. If we fail to put population growth under control, we will be unable to improve the level of "per capita amount," and to ultimately realize economic development goals, we must be able to attain the economic "quadruple" goal. He said: Because family planning is an engineering system that touches upon all sectors of society, the party, the government, the Army, and the masses, from top to bottom, must make concerted efforts to grasp this work; and all departments should share the work to comprehensively handle it in close coordination. At a national meeting of chairmen of family planning commissions, Comrade Li Peng said: "We should consider success or failure in family planning work an important basis for assessing the political performance of people's governments at all levels... [elipses as published] if a city mayor, county head, or township head fails to control the population, he cannot be considered competent, even though he has performed well in various other fields, such as developing production and improving the people's livelihood." In line with these guidelines, the provincial party committee and the provincial government have already decided that the leaders of units that have long failed in family planning work will not be promoted; and education, assistance, criticism, and even dismissal will be imposed on leaders of units that have long been backward in family planning work; and thus the population of which has run out of control. The provincial party committee and the provincial government have made the determination to firmly implement the fundamental principle of "controlling population growth as strictly as possible," to consider family planning work as a major event of party committees and governments at all levels, and to place family planning work in an extremely important position.

The meeting studied and discussed the major tasks of the leading provincial group for family planning and initially arranged the three major activities and the province's family planning work for the coming 3 months.

Northeast Region

Heilongjiang CPPCC Meeting Opens 11 Oct
SK1210070288 Harbin Heilongjiang Provincial
Service in Mandarin 1000 GMT 11 Oct 88

[Text] The fifth meeting of the sixth provincial CPPCC Standing Committee opened on 11 October. Attending the meeting were members of the provincial CPPCC

Standing Committee, and presiding over the opening ceremony of the meeting was Wang Zhao, chairman of the provincial CPPCC Committee.

Seated on the rostrum of the meeting were vice chairmen of the provincial CPPCC Committee, including Zhang Li, Wang Fei, Liu Huixian, Tang Liandi, Guo Shouchang, Li Min, and Ma Xinquan; and Guan Shixun, secretary general of the provincial CPPCC Committee.

During the meeting, the participating members will discuss the provisional regulations of the National CPPCC Committee on political consultation and democratic supervision and hear the report given by Chairman Wang Zhao on his friendly visit to the Soviet far east region.

During the meeting on the afternoon of 11 October, the participating members of the provincial CPPCC Standing Committee together with the members attending the fifth meeting of the seventh provincial People's Congress Standing Committee heard the report given by Comrade Hou Jie on the spirit of the 3d Plenary Session of the 13th CPC Central Committee and the report given by Comrade Chen Yunlin on improving the economic environment and rectifying the economic order to ensure smooth progress in the province's program of conducting reform and construction.

Heilongjiang City Stricter on Armed Looting Cases
HK1210084988 Beijing RENMIN RIBAO
in Chinese 8 Oct 88 p 4

[Dispatch by Reporter Wu Peizhen (2976 1014 4176): "Three Cases of Arms Robbery Cracked Down on in Harbin"]

[Text] Since mid September, Harbin City's public security bureau has cracked three armed robbery cases, in which eight criminals were arrested and some weapons, including three machine guns, seven pistols, and 670 bullets, were seized.

The armed robbery cases, which occurred one after another, aroused wide discussion and comment by the local residents. Many people said that for many years, law education was neglected, and people were not instructed to get rich through hard work. Thus this resulted in the frequent occurrence of robbery cases. Bai Dong, a 23-year-old criminal offender, confessed: "It is too hard to do physical labor, and it is easier to get money by taking a gun to rob other people. I want to enjoy myself as long as I am living." Some people also pointed out that many cadres and common people were not alert enough. For example, old men should not be appointed night watchmen of the arsenals, and the armed guards of the arsenals should not sleep when on duty.

Circular on Conserving Power Issued in Jilin
SK1010030988 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 5 Oct 88

[Text] Owing to the Northeast Power Grid's serious shortage of fuel and the water shortage in the five major reservoirs, the power quota the Northeast Power Grid has arranged for our province during October is less than September, making this the most difficult month in recent years. This power shortage situation will not improve during this winter and next spring. For this reason, the provincial government recently issued an emergency circular on conscientiously using electricity in a planned manner and economizing on the use of electricity.

The circular called on all localities, departments, and enterprises to make overall arrangements for the use of electricity in line with the power supply quotas assigned by the province and, in the order of importance and urgency, use the limited amount of electricity where needed, persist in restricting the power supply to those who surpass the power quota, and guarantee the normal power supply. It is necessary to conduct general inspections on power consumption in line with the province's unified plan and do a good job in power-saving work. Enterprises that have their own power generating sets and favorable conditions for the operation of their power generating sets must consider the overall situation and put them all into operation in October.

The circular also called on the power departments to adopt vigorous measures to accelerate operation of the new (Pangshan) and Hunchun power generating sets, strive to put them into operation ahead of schedule based on guaranteeing their quality, and contribute to easing the power shortage. The planning and economic commissions at all levels and the power departments should maintain close coordination, make concerted efforts, do a good job in the daily power supply, and solve problems in power generation and supply in a timely manner in an effort to prevent frequent power outages and conserve the limited power supply.

Developing Jilin Power Industry Top Priority
SK1010005788 Changchun JILIN RIBAO
in Chinese 6 Sep 88 p 2

[Article by Li Baoquan [2621 1405 0356]: "Accelerate Our Province's Power Industrial Construction"]

[Excerpt] The power industry is the foundation of the national economy. Development of the power industry is of strategic significance in developing the national economy.

We Should Assign Priority to Developing the Power Industry To Develop the Economy. [subhead]

Our country's experiences in economic construction and other countries' experiences in economic development

show that priority must be assigned to developing the power industry. Only when we assign priority to developing the power industry can we simultaneously achieve overall development of the national economy. If the power industry is not developed well, it will affect the economic situation of the entire national economy.

Our country witnessed rapid development in the power industry after liberation. As of the end of 1987, the installed capacity of generating units in our country reached 100 million kw, 55 times that of 1949. However, such speed in development still does not meet the demands of the national economic development.

Like the entire country, our province is experiencing a long-term strain on the power supply. During the 1950's and 1960's, Jilin was a rich province in terms of its power industry, even possessing a power surplus. Every year, the province transmitted a portion of its electricity to Liaoning and Heilongjiang. However, our province started to lag behind after the 1970's. It fell behind from the preceding position to lower than 10th place in terms of the installed capacity of generating units, and changed its position from having a power surplus to putting a strain on the power supply. The strain on the power supply became increasingly more serious with each passing year. The province's average power shortage ranged from 15 percent to 20 percent. The power shortage situation is even more serious this year. Our province used to lack electricity during the first and fourth quarters and the strain on the power supply used to be alleviated during the second and third quarters in the past. However, the Northeast China Power Grid continuously restricted its power supply during the second and third quarters of this year. As a result, industrial production and the lives of the people of our province have been affected. Every 1-kwh of electricity can create 2.5 yuan of output value. A total of 5 billion yuan in output value is lost each year because our province lacks 2 billion kwh of electricity.

The fundamental reason for lacking electricity is that our province fails to assign priority to developing the power industry. From 1979 to 1986, no large thermal power generating unit was built on our province's industrial front. As of the end of last year, two 200,000-kw generating units had gone into operation.

The Construction of the Power Industry Must Be Accelerated. [subhead]

The key to developing the power industry is to accelerate the construction of power sources. It will be impossible to increase electricity production by a big margin if new power sources are not added.

Over the past few years, our province put the construction of power sources in an important position by drawing on previous lessons. During the Seventh 5-Year

Plan, our province should establish new thermal power generating units, totalling 1.2 million kw. Of this, the Changshan power plant should expand by 400,000-kw of installed capacity, the Jilin thermal power plant should expand by 400,000-kw of installed capacity, the Huichun power plant should add 200,000-kw of installed capacity, and the ongoing Changchun general thermal power plant's generating units, totalling 200,000 kw, should be put into operation. During the Eighth 5-Year Plan period, a large thermal power industrial base will be built in Shuangliao. Generating units totalling 1.2 million kw are involved in the first stage of this project. The feasibility study on this project has been appraised and estimated by relevant specialists of our country. Our province is striving to begin construction as soon as possible. Also, the Hunjiang and Erdaojiang power plants should be expanded. Siping plans to build thermal power plants with the focus on supplying heat for urban areas. A group of medium-sized hydropower stations will be built in the upper reaches of Songhua Jiang. Our province plans to develop power sources on a large scale. Our province sets a historical record in terms of the scale of construction of power sources this year. Five large and medium-sized power plants were built and expanded simultaneously. The provincial power industrial bureau is pooling efforts to organize construction. Thanks to arduous efforts by various large construction contingents, these five construction projects are in full swing and progress is better than expected. [passage omitted]

Jilin Construction Congress Opens 6 Oct
SK071009/1988 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 6 Oct 88

[Text] The Third Jilin Provincial Congress of the China Democratic National Construction Association and the Fifth Congress of the Jilin Provincial Federation of Industry and Commerce opened in Changchun on 6 October.

Since previous gathering in 1984, the provincial committee of the China Democratic National Construction Association and the provincial Federation of Industry and Commerce have strived to exploit their role in offering political consultation and exercising democratic supervision; and have provided many valuable opinions and suggestions for reform, opening up, and development of various undertakings of the province. They have also conducted many activities to forge close ties with the people abroad; have organized their members to render advisory service to the society; and have provided intellectual assistance for border areas. Meanwhile, remarkable achievements have been scored in training specialized industrialists and businessmen. Organizations under the provincial Federation of Industry and Commerce at all levels throughout the province have initiated more than 100 enterprises one after another, providing jobs for about 1,500 youths and paying more than 10 million yuan in taxes to the state. The provincial committee of the China Democratic National Construction Association has sponsored 389 training classes of

various kinds, through which about 18,000 people have been trained. This committee has also helped enterprises create 4.6 million yuan in foreign trade.

Gu Changchun, deputy secretary of the provincial party committee, attended and addressed the gathering. He fully affirmed the achievements and progress made by members and organizations of the committee and the federation in various fields over the past several years; and expressed hope that these members and organizations would carry forward the fine tradition of long-term cooperation with the CPC, would strengthen unity and self-construction, and would acquire a correct understanding of the current situation of reform to contribute to improving the economic environment and consolidating economic order in coordination with the party and the government and to deepening reform and revitalizing Jilin.

Attending the gathering to extend congratulations were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, and the provincial CPPCC Committee; and responsible comrades of various democratic parties and people's groups of the province. Comrade Cheng Shengsan delivered a work report on behalf of the second provincial committee of the China Democratic National Construction Association and the fourth executive committee of the provincial Federation of Industry and Commerce.

Closes 8 Oct

SK1010063388 Changchun Jilin Provincial Service
in Mandarin 1000 GMT 8 Oct 88

[Text] The Third Jilin Provincial Congress of the China Democratic National Construction Association ended in Changchun today. During the congress, the participating delegates conscientiously summarized the work of the past 5 years and held forums to discuss ways to strengthen self-cultivation, intensify the awareness of a political party, display the functions of a political party, and expand the service scope under the new situation of reform and opening up. All of them expressed the determination to contribute to deepening reform and invigorating Jilin with their exemplary role and their efficient work.

The congress elected Comrade Cheng Shengsan as chairman of the third provincial committee of the China Democratic National Construction Association. (Li Guotai), Gu Hongmin, (Zhao Chengchun), (Xu Hexiang), and (Cui Jianwen) were elected vice chairmen. The congress also elected a secretary general and executive members of the third provincial committee of the China Democratic National Construction Association and decided to elect eight comrades, including Comrade Miao Zhuxian, as advisers of the third provincial committee of the China Democratic National Construction Association.

At the fifth congress of the Jilin Provincial Federation of Industry and Commerce which ended today, Comrade Cheng Shengsan was elected chairman of the fifth Executive Committee of the provincial Federation of Industry and Commerce. The vice chairmen were (Wang Ruipu), (Cheng Pingye), (Ma Zhanfeng), (Gao Wenshan), (Jin Dongbo), (Zhu Shaolian), Li Hongchang, (Yang Zuofeng), (Li Yihong), (Chen Shimo), (Sun Guopeng), and (Ma Guoyan). Comrade Miao Zhuxian was elected honorary chairman of the fifth Executive Committee of the provincial Federation of Industry and Commerce; and six comrades, including (Liu Yunping), were elected advisers.

The congress also elected a secretary general and executive members of the fifth Executive Committee of the provincial Federation of Industry and Commerce.

Leading comrades of the provincial party committee, the Advisory Commission, the provincial People's Congress, the provincial government, the provincial CPPCC Committee, and the United Front Work Department of the provincial party committee met at Nanhu Guesthouse with the new leading members of the provincial committee of the China Democratic National Construction Association and the provincial Federation of Industry and Commerce. In order to hail the successful conclusion of the two congresses, the United Front Work Department of the provincial party committee held a tea party this afternoon at Nanhu Guesthouse at which the provincial and Changchun City literary and art groups presented colorful literary and art performances.

Liaoning's Quen Attends Ethylene Project Ceremony
SK1110121388 Shenyang Liaoning Provincial Service
in Mandarin 2300 GMT 10 Oct 88

[Text] A grand foundation stone-placing ceremony for the construction of the Panjin ethylene project was held on 10 October. Quan Shuren, secretary of the provincial party committee; Dai Suli, chairman of the provincial Advisory Commission; Zhu Jiazhen, provincial vice governor; and Pan Liansheng, vice minister of the chemical industry, cut the ribbon for placing the foundation stone. Leading comrades from the State Economic Commission, the Ministry of Chemical Industry, provincial and city organizations, contractors of the project, and technical experts from Japan and Italy were present at the ceremony.

The Panjin ethylene project is our province's largest built with funds it has raised itself. It includes ethylene production equipment with an annual capacity of 130,000 tons, polyethylene production equipment with an annual capacity of 125,000 tons, and polypropylene production equipment with an annual capacity of 40,000 tons. Its annual output value will reach 800 million yuan, and profits and taxes will reach 400 million yuan. Total investment in the project is approximately 1.3 billion yuan.

The state recently approved the official initiation of the project at the same time that the various localities were cutting back on investment in capital construction. The project will play an important role in the in-depth development of Liaoning's petrochemical industry.

Northwest Region

Gansu Radio Reports on Air Missile Test Base *HK1210025488 Lanzhou Gansu Provincial Service* *in Mandarin 0000 GMT 12 Oct 88*

[Text] The Air Force's air-to-air missile testing base has been built up into China's first-class comprehensive air weapons range. This base is located in the west of the (Huashan Xilin) desert, near the Jiuquan satellite launching center. There are very few people there and the climate is bad. The place is like a furnace in summer and an icebox in winter. Sandstorms blow throughout the year.

In 1958, a number of commanders and fighters who had returned from the Korean battlefield came into the depths of the Gobi, accompanied by engineers and technicians, and started to prepare for the establishment of this base. Under extremely difficult conditions, they took less than 6 months to build China's largest airfield. Two years later, an air-to-air missile developed by China was successfully tested there. After that, the science and technology personnel and the cadres and fighters overcame the difficulties and interference caused by the 3 years of natural disasters, the withdrawal of foreign experts, and the 10 years of turmoil, and worked hard and self-reliantly. A target drone known as Changkong-1, developed at the base, was successfully test-flown in 1966. In 1983, in order to be ready for the tests of the third generation of air-to-air missiles, the base worked hard for over 700 days and nights with over 600 science and technology personnel from 50 research units throughout the country, applied the spirit of steadiness, accuracy, strictness, care, and scrupulousness over every detail in modifying and updating a large amount of equipment and erecting more than 1,000 communications lines, and completed the task of modifying obsolete fighter aircraft into pilotless target drones. They have initially formed a three-dimensional testing base with comprehensive air and ground observation and control capability.

Now this base can not only carry out test firing of a variety of missiles but can also undertake the tasks of collecting data after atomic and hydrogen bomb explosions and monitoring the recovery of satellites from space.

In the past 30 years, this base has undertaken over 560 test tasks and scored 880 results in technological innovations, 24 of which have been awarded state and PLA prizes for science and technology results. In the course of practice, the base has forged a strong and constructive science and

technology force. They have made major contributions to the armament of the Air Force and to the modernization of sophisticated weapons for national defense.

On 10 and 11 October, the northwest air force missile test base held activities to mark its 30th anniversary. Shen Rongjun, vice chairman of the National Defense Science, Technology, and Industry Commission; Yang Yongbin, political commissar of the Air Force of Lanzhou Military Region; and veteran comrades who used to work at the base took part in the activities. Honor medals and certificates were presented to 92 veteran comrades who dedicated themselves to national defense science and technology at this base.

Gansu Capital Copes With Gasoline Shortage *HK1210041588 Lanzhou Gansu Provincial Service* *in Mandarin 0000 GMT 12 Oct 88*

[Excerpt] In the present situation of gasoline shortage, it is necessary to give priority to supplying fuel in Lanzhou City for bus transport, for vehicles transporting grain and vegetables, and for environmental protection departments, which are important in people's daily life. This was decided yesterday by an on the spot meeting of the provincial and city governments held at the city public transport company.

Due to shortage of gasoline supplies, some bus lines in Lanzhou have been unable to operate normally at times, while the environmental protection departments have been unable to promptly haul away street garbage. The grain and vegetable departments have also faced many difficulties in transportation. The provincial and city governments have attached great importance to these problems. Vice Governor Zhang Wule, Lanzhou Mayor Ke Maosheng, and responsible comrades of the departments concerned attended the meeting. [passage omitted]

Economic Development of Gansu Province Expedited *OW1010155388 Beijing XINHUA in English* *1459 GMT 10 Oct 88*

[Text] Lanzhou, October 10 (XINHUA)—In a bid to accelerate the economic development of northwest China's Gansu Province, 49 construction items are well under way, mainly dealing with the development of raw materials, XINHUA learned.

Li Ziqi, secretary of the Communist Party's Gansu Provincial Committee, said that yet another 51 items will be inaugurated in the next three years in this area, located on the upper and middle reaches of the Yellow River.

These items will cover raw materials, energy, chemical industry, agriculture and other fields.

Li said that these construction items aim at reducing the economic gap between the northwestern area and the coastal eastern area of China.

According to Li, Gansu will become the biggest producer in China of nickel, silicon, iron, carbon, lead, zinc and nuclear fuel.

The production of aluminium, copper, stibium, sulphuric acid and cement will also be hastened.

Preliminary estimates show that the hydropower resources of the province are 4.34 million kilowatts and the reserves of coal more than two billion tons, while its reserves of nickel, cobalt, polonium and six other non-ferrous metals are first in the country.

Li said the products urgently needed by world markets will get priority for development.

He said that joint-ventures invested or co-managed by overseas entrepreneurs will be especially welcomed.

Favorable policies have been drawn up to attract more foreign investment by the provincial government, including taxation, land utilization and product sales privileges, and five experimental development regions have been established, Li told.

He added that Gansu will also improve its transport, telecommunications and other basic conditions as rapidly as possible.

Shaanxi Simplifies Foreign Investment Procedures
HK1110115788 Beijing CEI Database in English
11 Oct 88

[Text] Xian (CEI)—China's Shaanxi provincial government has adopted new measures to simplify procedures for the approval of foreign invested enterprises and foreign-invested enterprise personnel to go abroad. The measures also forbid random apportion on foreign invested enterprises. Besides, a highly efficient unit has been set up in the province to iron out problems facing foreign businesses in their operations.

The government has revised policies to attract more foreign investment, and made known 379 economic and technological cooperation projects in 17 fields including textile, light industry, machinery, electronics, metallurgy, pharmaceuticals and agriculture.

Shaanxi Railway Between Zhengzhou, Xian Opens
HK1110121788 Beijing RENMIN RIBAO
in Chinese 2 Oct 88 p 1

[Report by Li Jie (2621 2638) and Lu Jinyou (7773 6855 2589): "The Zhengzhou-Xian Electric Railway Is Open to Traffic"]

[Text] Western Sanmenxia, 30 Sep—The multiple track railway section from western Sanmenxia to eastern Xian, totaling 234 km on the Zhengzhou-Baoji electric railway line, which is one of the country's key projects, was formally open to traffic today. From now on electric trains will be operating directly between Zhengzhou and Xian.

The Zhengzhou-Baoji electric railway was a key project approved by the state in 1982. According to the state's construction principle of "investments by stages and achieving results by sections," the section from Zhengzhou to western Sanmenxia was completed by the end of 1986. The section from western Sanmenxia to eastern Xian passes through Henan and Shaanxi Provinces and winds through the hilly regions in western Henan. The design institute No 1 of the Ministry of Railway and the Xian engineering company of the Zhengzhou railway bureau, both responsible for the design and construction of this project, completed the construction of the railway section in only 1 year and 2 months, thereby saving an investment of over 20 million yuan. The quality of this project proved to be excellent after a 2 month trial operation.

A responsible person from the Zhengzhou railway bureau told these two reporters that the operation of the electric railway section between western Sanmenxia and eastern Xian will help double the Zhengzhou-Xian railway transport capacity and save 60 percent of fuel.

Cabinet Reaffirms Sovereignty Over Spratlys
OW1010165488 Taipei CNA in English 1606 GMT
10 Oct 88

["Cabinet Reiterates ROC Sovereignty Over Nansha Islands"—CNA headline]

[Text] Taipei Oct 10 (CNA)—The Republic of China [ROC] Government Monday affirmed its sovereignty over the Nansha, or Spratly, Islands, and warned that those archipelago islands illegally occupied by neighboring countries would be recovered by whatever means necessary at an appropriate moment.

The cabinet declared that the ROC will adopt whatever measures are necessary to protect its sovereignty and the national interest on the islands.

As the Nansha Islands are unquestionably part of the ROC's territory, the government stands firm and will never change its position regardless of any partial declarations or moves by any other country, the cabinet stated.

The statement was made in a written reply to an interpellation by legislator Huang Ho-ching.

The cabinet said that as the China mainland and Vietnam are currently involved in a bloody confrontation over the islands, the ROC will avoid exacerbating the regional tensions by dispatching its Navy to patrol the region.

However, the national Navy will remain alert and closely observe the development of the situation, the cabinet said. It stressed further that apart from periodically supplying the defense troops stationed on Taiping Island, the Navy vessels will protect ROC fishing boats operating in the region.

National Security Bureau Opposes Mainlander Visits
OW0910123488 Taipei International Service
in English 0200 GMT 9 Oct 88

[Text] Interior Minister Hsu Shui-te said on Friday [7 October] that the plan to allow mainland Chinese to visit dying relatives or attend funerals has been postponed indefinitely due to security reasons.

The Bureau of Entry and Exit was initially slated to start accepting applications for visits by mainland Chinese next Tuesday [11 October]. The plan has been delayed due to opposition from the National Security Bureau, sources said. The sources noted that the security authorities thought preparations were inadequate and implementation of the plan too hasty.

Last month, Premier Yu Kuo-hua approved a proposal to allow mainland Chinese to visit parents, spouses, or children here who are gravely ill or to attend funerals of such relatives.

Premier Discusses Long-Term Reunification Goal
OW0810042488 Taipei CNA in English 0303 GMT
8 Oct 88

[Text] Taipei, Oct 8 (CNA)—Premier Yu Kuo-hua said Friday the reunification of China is a long-term goal of the Republic of China [ROC], one that can not be realized quickly through talks or negotiations among a small group of people.

Answering questions at Friday's Legislative Yuan session, the premier also stressed that while seeking the reunification of China, the ROC should not sacrifice its current political and economic system under which people enjoy a free, democratic and prosperous life.

The government's basic policy towards the Chinese mainland is to draw a line between China and Communist China and between the Peiping regime and the mainland people, Yu pointed. Under this policy, the ROC will maintain its position of "no contacts, no negotiations and no compromises" with the Chinese Communists.

Therefore, the premier said, it is impossible for the ROC Government to attend, as some legislators have suggested, three-party talks that would involve the Chinese Communists.

Yu reassured the Legislative Yuan that the government will spare no efforts in seeking to reunify China at an early date. He argued, however, that the authentic objective of the reunification of China should not just be to unify the separated territories, but to reunify the two sides of the Taiwan Strait under a more desirable political system in which all Chinese can enjoy freedom, democracy and economic prosperity.

To achieve this goal, the most practical way is to further promote the ROC's political and economic development and to make its achievements known to the mainland people, thus creating an irresistible pressure on the Chinese communists to abandon their authoritarian rule and to undertake reforms, he said.

As the political, economic, social gap between the two sides of the straits narrows, time will gradually ripen for the reunification of China, the premier concluded.

Li Teng-hui's National Day Message
OW1010012588 Taipei CNA in English 1553 GMT
9 Oct 88

["National Day Message by Li Teng-hui, President of the Republic of China; October 10, 1988"—CNA headline]

[Text] [no dateline as received] Ladies and gentlemen:

Today is our National Day, marking the seventy-seventh anniversary of the establishment of the Republic of

China. Viewing the prosperity and vitality of our bastion of national revival, and the solidarity and high spirits of our compatriots at home and those living abroad, we recall, while feeling deep gratification during these joyous festivities, the hardships of Dr Sun Yat-sen upon the founding of our nation, and we look to the brilliant future before us. All of this fills us with immeasurable reminiscence and emotion; at the same time it inspires incomparable confidence and hope.

The seventy-seven year long history of our nation's development has indeed been written with an intermingling of blood and tears. The Republic of China was born in the shadows of territorial division among foreign powers, and grew under the wanton oppression of the warlords and imperialists. An unceasing series of internal strife and foreign invasions followed, in which destruction far outweighed construction. This culminated in the spread of the red terror of international communism and the closure of the Iron Curtain around the Chinese mainland, putting the people of China through unprecedented suffering and tragedy. Fortunately, due to the leadership of late President Chiang Kai-shek through the bloodbath of the eight-year war of resistance against Japan, the previously lost territories of Taiwan and the Pescadores were recovered, and people from all corners of the country who were unwilling to accede to the tyrannical Chinese Communist rule, regardless of sex, religious belief, or party affiliation, joined hands and hearts, for their own sakes and the sakes of their children and grandchildren, to launch anew the great and tremendous task of revolutionary national development. The course of history was turned around, a miracle was wrought, and the nation's destiny changed.

In the past forty years of struggle by the government and people, we have established our foothold in a precarious environment, and rebuilt our self-respect as we pioneered our future through extreme hardship. Today, on our bastion of national revival, full expression is given to public opinion, and democratic government is being advanced, step by step. The efforts of any individual can be reasonably rewarded. The talents and wisdom of all individuals can be converged into the vigorous current of national development. Our economic growth rate now surpasses that of capitalist countries, and our distribution of wealth is more even than that of socialist countries, thus enabling us to invest our energies in higher levels of scientific and technological, academic, and cultural development. Surrounding us is a dynamic atmosphere of resurgence. The world is now witnessing a steady rise of confidence among Chinese people in the "Taiwan experience," which offers a vital, promising future for China and is illuminating a broad road for us to follow.

This laudable process has opened up a life experience that is in clear view of all, one in which all of us have participated; it is a chapter of history that we have all

written together. We have all made contributions, and suffered through sacrifice for the future of our state and nation, and the realization of individual ideals. But even more significantly, we have the leadership of our policy of the Three Principles of the People, and we have a great constitutional government that is "of the people, by the people, and for the people," which make it possible for the wisdom of the Chinese people to be amply exercised, and the potential of the Chinese people to be fully manifested. This all constitutes a glaring contrast to the vicious and bloody persecution of the people on the Chinese mainland over the past forty years.

In the same forty year span, the results of communism as implemented on the Chinese mainland, situated on the opposite side of the Taiwan Strait, have been not only a total loss of protection of the people's right to freedom, but also an economic standstill of poverty and backwardness. Today, every Chinese has the right to ask what possible reason the Chinese Communists can give for continuing along the "socialist road," insisting on adherence to the "leadership of the Communist Party." They also have the right to sternly admonish the Chinese Communist authorities that the Chinese are a people who love peace and who place the highest value on propriety and righteousness, that the strength of a nation and the well-being of the people can in no way be achieved through the totalitarian rule of a "dictatorship of the proletariat" and "Marxism-Leninism and Mao Tse-tung thought." The only possible starting points to solving the China problem at its root are thorough enlightenment, sincere identification with the ideal of putting the people first, and a return to traditional Chinese culture.

All compatriots on our bastion of national revival of the Republic of China must, in this crucial moment in which we look to a brilliant horizon, be clearly cognizant of our nation's situation, and have a full understanding of the situation between ourselves and the enemy. We must, with a strategy of thoroughly knowing ourselves and our opponents, an attitude of making a solid, honest effort, and a resolute anti-communist stand, strengthen our national defense capability, advance national development and carry out the mission of our times of founding and developing the country, recovering the Chinese mainland, and along the same continuous line, carrying forward the cause, forging ahead in the future, and quickening the pace of our march to success.

In the area of economics, we must carry out our previously established goal of liberalization and internationalization, make great efforts in applying new technologies, and make the most rational use of all resources available to us, to fortify our economic structure. This in turn will allow our economic development to progress from merely promoting our own people's welfare to contributing to and being part of a prosperous world.

Politically, we must move forward with sure and steady steps to promote democratic reform, actively implement constitutional government, protect the dignity of the rule

of law, provide a sure protection of the people's rights, and institute an enlightened, rational planning process so as to catalyze the maturation of democratic government, as the foundation for a truly modern, democratic state.

Socially, we must adapt ourselves with a positive attitude to the movement toward increased pluralism. We must, on an equitable basis, bring increased order to society, expand our welfare system, thoroughly implement our policy of even distribution of wealth, upgrade the quality of life, and, through a reconsolidation of morals and ethics, hasten the realization of a great commonwealth of peace and prosperity.

In the area of foreign relations, we must adhere to a principle of equality and reciprocity, and carry out our international obligations to the best of our ability, advancing regional cooperation with forward-looking and flexible actions and repaying the international community by making contributions to its welfare, thus achieving the goals of protecting international justice and ensuring world peace.

I would like at this time to particularly point out to all the people of the country that the fruits of development on our bastion of national revival are the result of resolute adherence to our anti-communist policy and the concerted efforts of all the people. Not only do they form the basis for our continued development; they are also object of the hopes of our compatriots on the Chinese mainland. How to maintain our continued progress is a responsibility we all share. We all know that the outstanding characteristics of democracy are equality and tolerance, and that the spirit of freedom is abiding by the law and fulfilling one's duties. Only when each and every person trains himself in the concepts of respect for the law and adherence to discipline, and cultivates a social conscience and sense of mission in himself will we really be on the road to a democratic rule of law, and establish a sound and lasting basis for the nation.

Ladies and gentlemen, we must understand that the implementation of the Three Principles of the People is the common ideal of all Chinese people. All the Chinese people of the world desire democracy, even distribution of wealth, and reunification for China; and we cannot separate ourselves from the long stream of Chinese history. We firmly believe that China will be reunified, but this reunification must be under the benevolence-based Three Principles of the People. This is an inevitable result of history and human nature, and it is at the same time a true solution to the China problem.

On this joyous occasion of our National Day, Chinese living here on our bastion of national revival and those living abroad who are free from enslavement under communism are indeed a fortunate group of people; we also bear a heavy responsibility—to do our utmost in carrying out the solemn responsibility of helping our one billion compatriots on the mainland to return to a state of freedom. Let us all concentrate our wills, clearly

identify our goal, follow the final exhortations of the late presidents Chiang Kai-shek and Chiang Ching-kuo, and move courageously ahead toward the renaissance of Chinese culture and recovery of the mainland, so that our mission to reunify China under the Three Principles of the People will be accomplished with our own hands, and the ideal of the establishment of a free, democratic, prosperous, and happy new China will be realized during our own lifetimes.

Thank you!

Speech at Military Parade

OW1010104088 Taipei Domestic Service
in Mandarin 0200 GMT 10 Oct 88

[Speech by President Li Teng-hui at the close of a Taipei military parade to mark the 77th founding anniversary of the Republic of China on 10 October—recorded]

[Text] Respected elders, brothers, and sisters; officers and men of the Ground, Naval, and Air Forces; countrymen from abroad; and distinguished guests:

Today, 10 October, marks the 77th founding anniversary of the Republic of China. To mark this occasion, a grand military review has just been held. The neatly formed and majestic troops that passed the grandstand a while ago demonstrated the vigorous training of the three services, their high morale, and their strict discipline, as well as the constant progress achieved in research and development of our armed forces' weaponry in recent years. This proves that the Armed Forces of the Republic of China are [words indistinct] for recovering the mainland. I would like to extend my sincere regards and thanks to all the officers and men who have taken part in this review.

Since their founding, the Armed Forces of the Republic of China, under the leadership of our former president, Mr Chiang Kai-shek, have won brilliant victories in carrying out their historical missions of launching the eastern and northern expeditions against the warlords, suppressing the Communist rebels, and resisting Japanese aggression. After the central government moved to Taiwan, thanks to President Chiang Kai-shek's (?personal guidance) and strategic planning as well as our late president Mr Chiang Ching-kuo's [words indistinct], a foundation for institutional and modern administration was laid [words indistinct], and our base for mainland recovery has now become a staunch anti-Communist fortress of the free world.

While maintaining their combat readiness around the clock, all our officers and men have also displayed the traditional spirit of cherishing the people, exerted concerted efforts in safeguarding the safety of this base of ours, and rendered their assistance in all construction projects. By doing so they have won the respect and gratitude of all countrymen. This is an honor and pride in which we all can share.

Owing to the absolute unity and efforts of all our countrymen to build our country, this base of ours, permeated with readiness for mainland recovery, anticipates a bright future. However, in the face of the belligerent Chinese Communist regime which, despite its sharp internal struggles and numerous difficulties, has never given up its attempt to invade Taiwan by force, we

must always remain vigilant at all times against any possible action which may be taken by the enemy and deal them head-on blows.

I must also solemnly state to you all that the recovery of the mainland and saving our compatriots is our duty-bound responsibility. Our compatriots on the mainland cannot be relieved from the oppression of communism, or obtain freedom, democracy, and prosperous life, and the task of our national Army has not been accomplished so long as the Chinese Communist regime has not been destroyed. We must continue to strengthen our defense, reaffirm our conviction in recovering the mainland, and create the opportunity for victory so that we can accomplish the epochal task of reunifying China under the Three Principles of the People at an early date. [applause]

Now let us loudly shout:

Long live victory in recovering the mainland!

Long live the Three Principles of the People!

Long live the Republic of China!

Long, long life to them!

High-Performance Jet Fighter Developed
*OW0910152388 Taipei CNA in English 1501 GMT
9 Oct 88*

[Text] Taipei, Oct 9 (CNA)—The Republic of China [ROC] has successfully developed a high-performance jet fighter aimed to serve as its mainstay defense aircraft for the 1990's, the Ministry of National Defense announced on the eve of the double ten National Day.

The jet fighter will be equipped with Sky Sword missiles, a recent brain-child of the Chung Shan Institute of Science and Technology, the ministry announced in a Sunday press release.

Although the ministry did not specifically name the jet fighter all the released data spoke of it as the "indigenous defense fighter."

The proto-type of the IDF jet fighter is scheduled to roll off the assembly line before the end of 1988, and will undergo test flight early 1989, the ministry said.

To ensure its excellent performance, the ministry said, the proto-type has undergone thousands of hours of high- and low-speed wind tunnel experiments and has been subjected to full computer simulation test.

Energy has also been devoted to the development of turboprop jet engines and electronics navigation systems for use in the new jet fighter, the ministry noted.

The ROC will begin production of the new jet fighter once the proto-type aircraft has successfully passed its test flights, the ministry said.

Editorial Views 'Military Threat' of Mainland
*OW1010143288 Taipei CHINA POST
in English 1 Oct 88 p 4*

[Editorial: "Chinese Communist Military Threat to Taiwan"]

[Text] Peking's recent announcement that it had test-fired a missile from a nuclear-powered submarine to a target area north of Taiwan in the East China Sea constitutes a direct military threat to the Republic of China on its Taiwan and its off-shore islands.

The report stated that Peking had conducted a successful test in carrier rocket launching to the designated sea area between September 14-27. The carrier rocket was launched by a Communist China-made nuclear submarine under the water, the NEW CHINA NEWS AGENCY added.

The Chinese mainland TV station also showed video footage of the launching into the sky by the submarine. It showed that Mainland China had solved the difficulties encountered in its previous launching of a missile under water in October 1982.

The above information is not the only military move made by Peking. Recent dispatches from Hong Kong by the UPI reported that Peking is reinforcing its forces in the Spratly islands with enlarged military bases and supply facilities including a post office. The moves will receive much attention from all nations claiming sovereignty over the Spratlys, including the Republic of China, Malaysia, Vietnam and the Philippines.

It is a source of military contention which might explode into a bigger conflict in the future. At the same time, Peking has accused Vietnam of causing border incursions in July. Vietnamese artillery has fired thousands of rounds of shells into Yunnan Province, according to Peking.

But the real military threat against Taiwan deserves special attention. Peking has never renounced the use of force against Taiwan. The recent test-firing further proves its intention of attacking the Republic of China by force. The United States should pay attention to such a possibility and warn Peking not to indulge in such warmongering activities and not to entertain any notion of attacking Taiwan by force as the recent firing of a missile by a Chinese Communist submarine indicated.

Trade Volume Across Taiwan Strait Increases
*OW1110112488 Taipei International Service
in English 0200 GMT 8 Oct 88*

[Text] Official sources have said that trade between the two sides of the Taiwan Strait is expected to hit a record high of between \$2.2 and \$2.5 billion this year. This year's trade volume will hit the third climax in Taiwan-mainland business activities after the 1981 and 1985 rises. According to a report to the Executive Yuan, which is the cabinet, by trade officers, the two-way trade across the strait had increased by 20 times from 1979 to 1987. Last year, the trade volume exceeded \$1.56 billion.

Hong Kong

Talks With SRV on Refugees Slated for London
OW0710001288 Beijing XINHUA in English
1114 GMT 6 Oct 88

[Text] Hong Kong, October 6 (XINHUA)—The second round of talks with Vietnam on the problems of Vietnamese boat people in Hong Kong will be held on October 11 and 12 in London, the Hong Kong Government Information Services announced here today.

The joint United Kingdom-Hong Kong team at the talks will be led by Robin McLaren, assistant under secretary of state at the Foreign and Commonwealth Office, and will include Hong Kong officials Richard Clift, political adviser, and Geoffrey Barnes, secretary for security.

The first round of talks was held on August 3 and 4 with no agreement reached on the issue of repatriating Vietnamese boat people.

Over 16,000 Vietnamese boat people have arrived in Hong Kong since the beginning of this year, bringing the number of Vietnamese boat people here to over 25,000.

Hanoi Pledges Not To Punish Returning Refugees
HK1110032388 Hong Kong SOUTH CHINA MORNING POST in English 11 Oct 88 p 1

[By David Wallen, in London]

[Text] Vietnam last night gave an assurance that boat people who were voluntarily repatriated from Hong Kong would not be punished on their return.

The assurance came from Assistant Foreign Minister Vu Khoan, leading a four-man delegation from Hanoi at talks with British and Hong Kong officials on the refugee problem.

The talks open at the Foreign Office in London today.

Mr Vu said: "Those who want to return voluntarily we will treat humanely.

"For those people who are not against the Government, punishment will only be symbolic.

"They will be given a warning not to leave the country again."

Mr Vu said he had heard from the British Government that it wanted to know what measures Vietnam had taken to stem the exit of boat people since the first round of meetings in Hanoi.

"They want to discuss a comprehensive solution to the issue and the repatriation of those who want to return to Vietnam," he said.

The Vietnamese delegation agreed with the agenda for the two days of talks.

Mr Vu said Vietnam would take back boat people who had arrived in Hong Kong before and after the June 16 deadline set by the Hong Kong Government.

However, Hanoi did not wish to be involved with any forceable repatriation, he said.

"If we do not respect their wishes, then we violate human rights. The UN Human Rights Declaration has given people the right to find their own settlement."

The British Government is understood to be moving closer to a position where it might pay individuals and families to return to Vietnam.

Whitehall has always insisted it would not grant a full aid package to Hanoi while its military forces remain in Kampuchea.

The Vietnamese Government would have to provide jobs and houses and would need financial assistance from the international community.

Mr Vu refused to be drawn into discussing a definition of "aid" but he added, "we hope that the British and the Hong Kong authorities will contribute something."

"We are only talking about our requirements for a sum to do a specific job, it is not aid," he said.

This "contribution" would have to include training and education programs along with the construction of houses.

The Government was not in favour of individuals being given cash to return as this would only encourage them to leave the country again, Mr Vu said.

'Tough' Refugee Policy Said Known in SRV
HK1110032188 Hong Kong SOUTH CHINA MORNING POST in English 11 Oct 88 pp 1, 2

[By Charles Lewis]

[Text] Hong Kong's tough policy to repatriate all Vietnamese illegal immigrants is now known in most cities in Vietnam, say 32 Vietnamese boat people picked up by a container ship in the South China Sea near the Spratly Islands and brought to Hong Kong yesterday.

One of the boat people, Mr Bui Van Tong, a 31-year-old electrician from Ho Chi Minh City, said the Philippines was now the favoured destination for those fleeing the country.

When they were picked up, the group-comprising 12 men, seven women, 11 boys, two girls and a four-month-old boy—handed the captain a letter pleading with him not to take them to Hong Kong.

The letter said Hong Kong jailed refugees, "ties their hands" and sends them back to Vietnam.

It said the group wanted to go to the Philippines..."We no go Hong KONG...please we go Philippine...please captain, please officer...we crie captain officer".

However, the captain of the vessel, the 22,000-tonne Panama-registered New York Senator, told them he had no alternative but to continue on to Hong Kong.

Captain Eckart Scharff said he had stopped for them for humanitarian reasons.

"The decision was made because there were a large number of women and children, including a four-month-old baby boy, who had had no water and food for more than two days," he said. [sentence as published]

He said about half of the people on the 30-metre wooden boat were ill because of the rough weather.

"We had to send our crew to assist them because they were too weak to climb on board," Captain Scharff said.

Mr Bui's group, however, have escaped the fate of boat people arriving in Hong Kong under their own means.

Under the Government's strict new policy, any boat people arriving after June 16 are screened; genuine refugees are found new homes overseas while the others are held in detention centres, awaiting repatriation.

However, Mr Bui's boat load falls under a scheme known as the Rescue at Sea Resettlement Officers (RASRO), established under the auspices of the United Nations High Commissioner for Refugees (UNHCR).

Refugees picked up at sea are given preferential treatment in resettlement and usually resettled in a third country within 90 days.

Yesterday's arrivals will be housed in a separate refugee centre at Kai Tak, funded and run by the UNHCR for those rescued at sea.

The UNHCR has given an understanding to the Government that refugees rescued at sea will be resettled within 180 days of their rescue, while the UNHCR reimburses shipowners for any financial costs they incur through stopping to pick up boat people.

The system was developed in the 1970s after reports of boat people being left to perish at sea while commercial vessels steamed past.

Some ships which did pick up the stranded boat people found they were unable to unload their unwanted passengers because governments were unwilling to accept them.

Mr Bui, one of the few English speakers in yesterday's group, said: "As far as I know, Vietnamese people will not try to escape to Hong Kong because of the new policy, and we know from some of our friends who have entered Hong Kong that they have been put into prison and will be repatriated back to Vietnam.

"Because of the hardship and treatment of the communist authorities in Vietnam, people escaping out of Vietnam hope to be picked up by foreign ships in order to get resettlement in third countries more quickly and not be repatriated to Vietnam."

Mr Bui said the Philippines was the preferred destination because of its relative proximity to Vietnam and because the Philippines Government had a good relationship with the United States.

He said group members had paid about three taels of gold each (HK\$12,000) to a syndicate in Ho Chi Minh City for a boat provisioned with a small quantity of food and an amount of water for the trip to the Philippines.

The young mother of the baby boy said she left Vietnam because she had no one to look after her and the child.

Ms Ngugen Thi Ngocanh, 24, holding Ngoc Tung inher arms, said she was hoping to be resettled in the U.S. where she had several relatives in the restaurant business.

"My husband was killed by the communists a year ago and both my parents are in jail in Vietnam," she said.

Ms Ngugen said because of the new policy of the Hong Kong Government, she had hoped the boat could be picked up by a foreign ship so she and her son could settle in the U.S.

"I know there is no hope of resettlement in HONG Kong, so I took the opportunity of going to the Philippines where I am sure the Government could help me and my son to enter the United States," Ms Ngugen said.

Captain Scharff said the refugee boat was spotted just after midday last Friday about 900 kilometres south of Hong Kong near the Spratlys.

"People on board the wooden boat waved desperately, a sign of people in distress," he said.

Captain Scharff said he ordered his ship to slow engines and took on board the leader of the group, Mr Bui, who said his party wanted to go to the Philippines.

"Mr Bui was advised the ship was heading for Hong Kong and with the approach of a tropical storm in the vicinity there was no alternative for the group but to be taken on board and sail to Hong Kong," the captain said.

"I made it quite clear to Mr Bui what the Hong Kong Government policy is towards Vietnamese refugees, and he agreed that the group be taken to Hong Kong instead." Captain Scharff said a ladder was lowered but most of the boat people were too weak to climb aboard.

"Some of the women and children had to be carried on board by the crew, while a four-month-old baby boy was put in a bag by his mother to be lifted on board," he said.

"One woman was unconscious when taken on board, while some had cuts to their bodies."

A Hong Kong Government spokesman said last night a total of 368 Vietnamese refugees picked up by foreign ships are being housed at the Kai Tak open camp awaiting departure to third countries.

UK Urged To Accept More Vietnamese Refugees
HK1210024788 Hong Kong HONGKONG STANDARD in English 12 Oct 88 p 3

[Text] A group of district board [DB] members yesterday petitioned the Governor to urge Britain to raise its resettlement quota for Vietnamese refugees stranded in Hong Kong.

The call was made amid the second round of talks over repatriation of Vietnamese boat people in the territory.

If Britain increased its quota it would serve as example for other countries to follow, which would be the ultimate solution to the problem, said the petitioners.

Displaying banners, the six DB members from various districts, condemned the British government for its indifferent attitude towards the refugee problem as demonstrated by the limited resettlement intake.

Latest statistics indicate that the number of successful resettlements of Vietnamese refugees to Britain this year was 166, the least among resettlement countries.

The country with the second smallest quota is Australia which has accepted 289 refugees this year.

Representatives of the petitioners, Mr Chan Mo-pou, a Tuen Mun District Board member, said the petition was supported by 70 DB members, Urban Councillors and Regional Councillors.

He said Britain has made Hong Kong the first asylum for Vietnamese refugees but has hardly shown concern for the territory's burden over the problem.

"It is irresponsible of Britain to make its colony shoulder this burden," he said.

The group urged Hong Kong to exert pressure on Whitehall to raise its monthly quota of 20 to set an example for other third asylum countries.

Officials Comment on Vietnam Flights, Boat People
OW0910132988 Beijing XINHUA in English 0925 GMT 9 Oct 88

[Text] Hong Kong, October 9 (XINHUA)—The renewal of direct flights between Hong Kong and Vietnam is unlikely in the near future because of the lack of commercial opportunities, a Hong Kong official was quoted as saying.

The SOUTH CHINA MORNING POST reported today that the official said a recent government review into the feasibility of reopening the route, which ceased operation in 1975, showed that there was insufficient demand for either a passenger or cargo service to justify a scheduled service.

It said Air Vietnam has indicated its interest in expanding its foreign network, now limited to Vientiane, Phnom Penh, Bangkok and Manila.

It wants to develop flights to Hong Kong in particular, the paper said, apparently hoping to attract tourists and hard foreign currency. It could be possible for ad hoc flights but hardly a basis for a regular service.

Meanwhile, the second round of talks between the Hong Kong and Vietnamese Governments on the repatriation of boat people is to be held in London on October 11 and 12.

Secretary for security, Geoffrey Barnes, said before his departure for London last night that the British-Hong Kong team would keep pressing the Vietnam Government to take back those classified as illegal immigrants, as well as try to stem the departure of its people.

"We shall be pressing the Vietnamese authorities also to accept the early repatriation of those Vietnamese in Hong Kong who have requested a return to Vietnam," he said.

Financial aid for Hanoi would be likely to be part of the discussions in London, he added.

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